

"AE39-2"
"PDR"

JAN 25 1994

MEMORANDUM FOR: David L. Meyer, Chief, Rules Review and Directives Branch, Division of Freedom of Information and Publications Services, Office of Administration

FROM: Sher Bahadur, Chief, Regulation Development Branch, Division of Regulatory Applications, Office of Nuclear Regulatory Research

SUBJECT: IMPLEMENTATION OF COMMISSION ACTION: AMENDMENTS TO 10 CFR PART 55

By memorandum dated January 19, 1994, the Secretary of the Commission indicated that the Commission (with all Commissioners agreeing) has approved the final rule on "Renewal of Licenses and Requalification Requirements for Licensed Operators" set out in SECY-93-333.

Please implement the Commission's action by arranging for publication of the enclosed final rule in the Federal Register.

Enclosed is a marked-up copy of the Federal Register Notice showing Commission-requested changes for transmittal to the Office of the Secretary.

Also enclosed is a Congressional letter package for transmittal to OCA and two copies of the public announcement for transmittal to OPA.

In addition, enclosed is a copy of the draft regulatory analysis for transmittal to the PDR.

Sher Bahadur, Chief
Regulation Development Branch
Division of Regulatory Applications
Office of Nuclear Regulatory Research

Enclosures:

- 1. FR Notice and 2 Copies
- 2. Marked-up Copy of FR Notice
- 3. Congressional Letter Package
- 4. Public Announcement
- 5. Regulatory Analysis

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

MEMORANDUM FOR: David L. Meyer, Chief, Rules Review and Directives
Branch, Division of Freedom of Information and
Publications Services, Office of Administration

FROM: Sher Bahadur, Chief, Regulation Development
Branch, Division of Regulatory Applications, Office
of Nuclear Regulatory Research

SUBJECT: IMPLEMENTATION OF COMMISSION ACTION: AMENDMENTS TO
10 CFR PART 55

JAN 25 1994

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In addition, enclosed is a copy of the draft regulatory analysis for transmittal to the PDR.

A handwritten signature in cursive script, appearing to read "Sher Bahadur".

Sher Bahadur, Chief
Regulation Development Branch
Division of Regulatory Applications
Office of Nuclear Regulatory Research

Enclosures:

1. FR Notice and 2 Copies
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DOC. FILE NAME: G:\DIPALO\PT55\FRN55.FNL

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
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	jw				
	1:35pm				

[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.

DOC. FILE NAME: CONGLTR.FNL

LONG DISPLAY:

CREATED: 8/12/93

AUTHOR: A. DiPalo/jw

REVISED: 10/4/93 11/5/93

TYPIST: jw jw

TIME: 2:00pm 11:30am

DOCUMENT NAME: G:\DIPALO\PT55\REGANL.FNL

AUTHOR: DIPALO

REVISED: JW	jw	jw
DATE: 8/25/93	9/2/93	11/5/93
TIME: 9:00AM	10:15am	10:55am

Enclosure 1
FEDERAL REGISTER NOTICE

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 needs of the Commission's inspection program, 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 NWPAs 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, proposed 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 licensee requalification, utilities have proven their ability to develop and administer 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 amendment 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 routine inspection frequency of at least once every 2 years will ensure active NRC oversight of facility licensee's requalification programs. For facility licensees with good performance, consideration will be given to not performing an onsite inspection during the SALP period.

(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 university operated research reactor, stating that submitting requalification examinations by the facility to the NRC for review prior to administering the 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 available for review at NRC offices in addition to other documentation customarily provided, consistent with the Commission's inspection program needs. During the on-site inspection, the inspectors will observe the facility evaluators administer written examinations and operating tests to the crews being evaluated. Although the facility examination may last several weeks, the NRC's on-site inspection usually lasts only one week. Normally, the NRC intends to request that the facility licensee submit only those written examinations or operating tests that will be administered during the week of the NRC inspection. Obtaining this examination material in advance of the inspection will allow the inspectors to prepare for their on-site inspection activities by reviewing the examinations or tests before they travel to the facility. This advance preparation will result in a more effective use of on-site inspection time and reduce the burden on the facility

licensee by placing fewer demands on their training staff during the examination week. 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, NEOF-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 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)(i&ii). 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 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

¹NRC 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).

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 in 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.

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).

Sections, 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). Section 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. Section 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.

Enclosure 2

MARKED-UP COPY OF FR NOTICE



OFFICE OF THE SECRETARY

UNITED STATES NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555

IN RESPONSE, PLEASE REFER TO: M940119

January 19, 1994

Action: Beckjord, RES

Cys: Taylor
Sniezek
Thompson
Blaha
Murley
Collins, NRR
DiPalo, RES
Meyer, ADM
Shelton, IRM

MEMORANDUM FOR: Carlton R. Stoiber, Director
Office of International Programs

James M. Taylor
Executive Director for Operations

FROM: Samuel J. Chilk Secretary

SUBJECT: STAFF REQUIREMENTS - AFFIRMATION/DISCUSSION AND VOTE, 11:30 A.M., WEDNESDAY, JANUARY 19, 1994, COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

I. SECY-93-352 - Proposed Export of Fort St. Vrain Unirradiated HEU Fuel Assemblies to France for Recovery and Down-Blending to LEU (XSNM02748)

The Commission, by a 4-0* vote, approved an order responding to a petition to intervene and for a hearing on the proposed issuance of an export license for certain unirradiated HEU fuel assemblies to Transnuclear, Inc., by the Nuclear Control Institute. The order denied the petition.

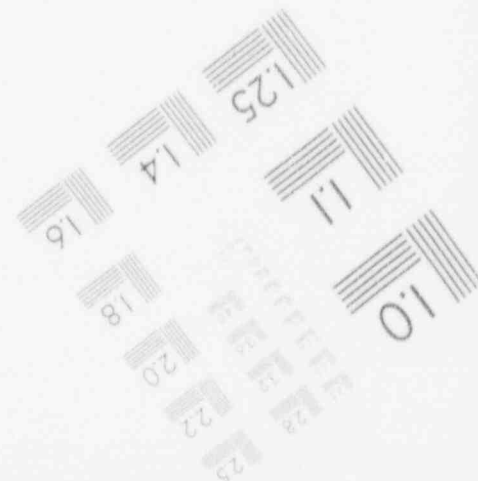
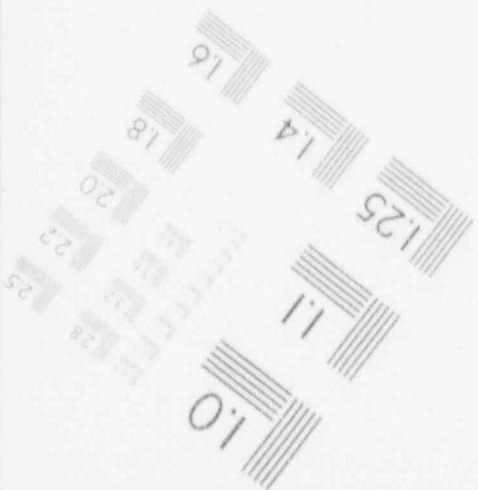
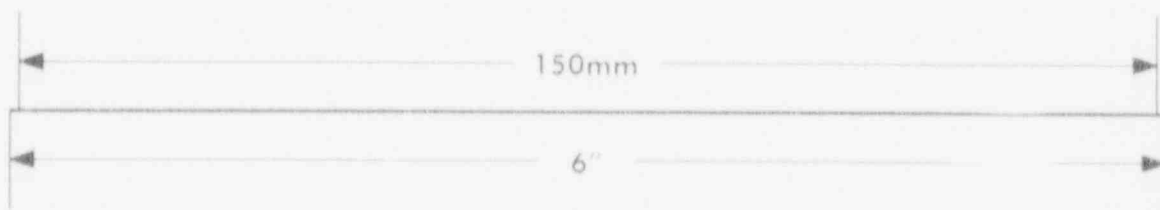
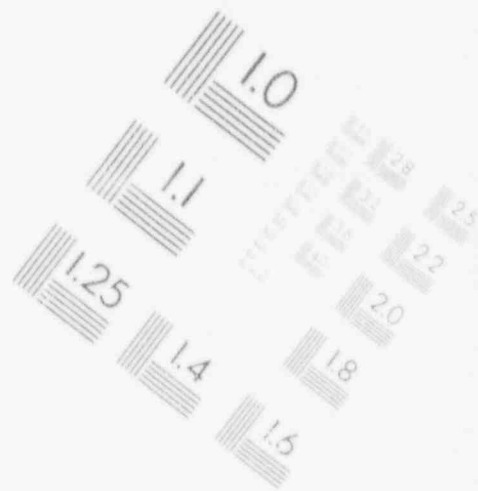
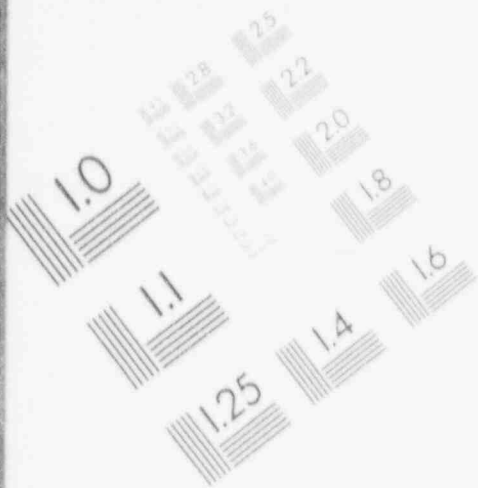
(Subsequently, on January 19, 1994, the Assistant Secretary signed the Order.)

The Commission has also authorized the issuance of an export license to Transnuclear, Inc.

* Section 201 of the Energy Reorganization Act, 42 U.S.C. §5841, provides that action of the Commission shall be determined by a "majority vote of the members present." Commissioner de Planque was not present when this item was affirmed. Accordingly, the formal vote of the Commission was 3-0 in favor of the decision. Commissioner de Planque, however, had previously indicated that she would approve this paper and had she been present she would have affirmed her prior vote.

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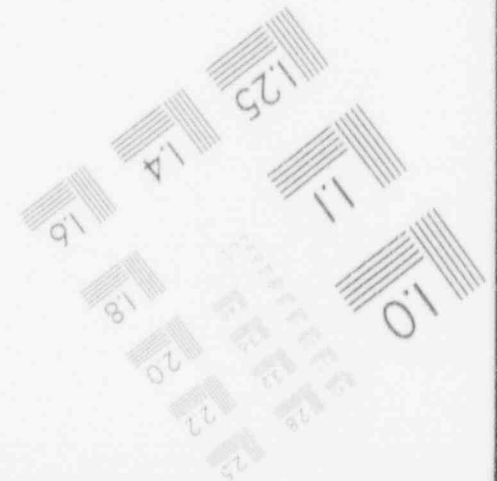
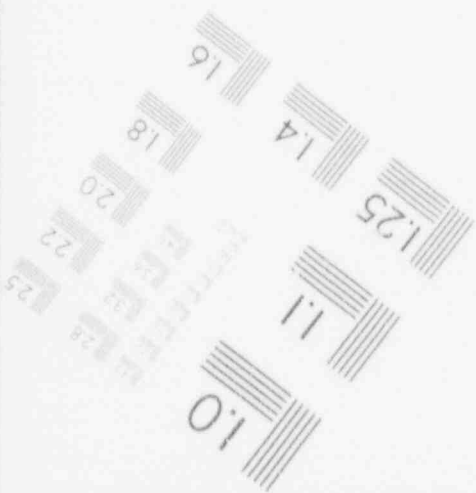
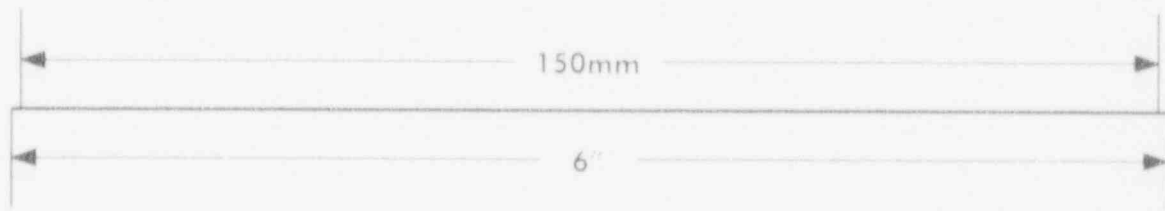
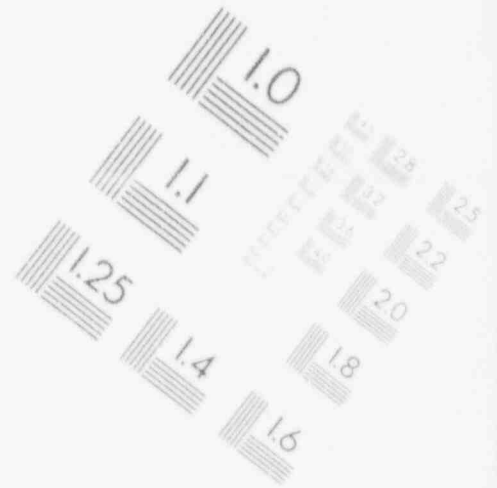
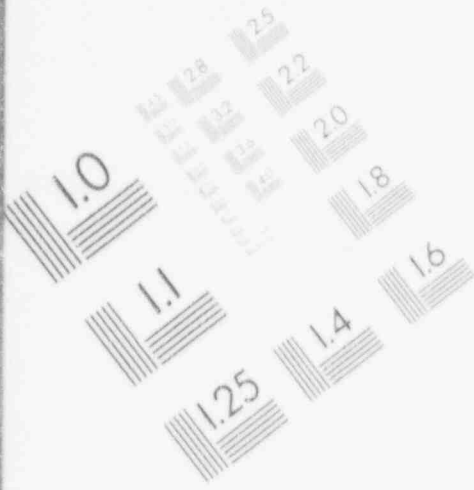
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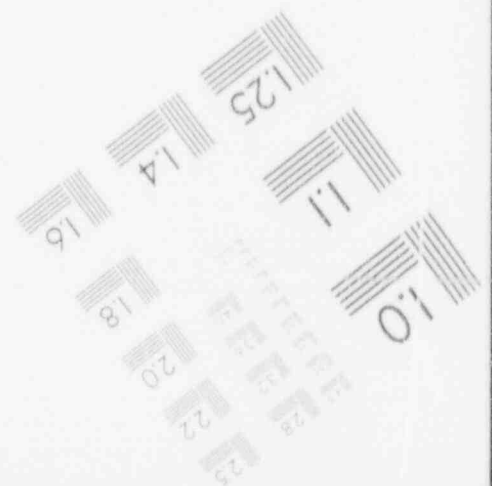
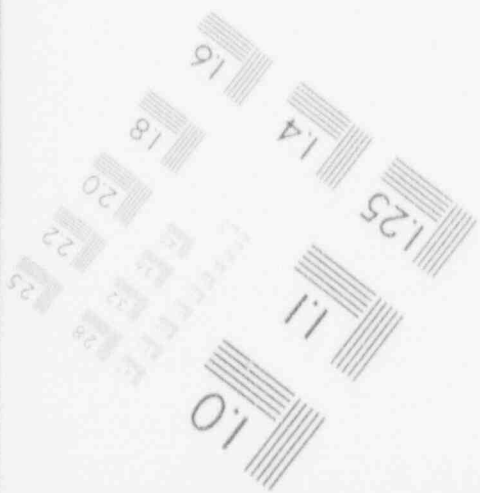
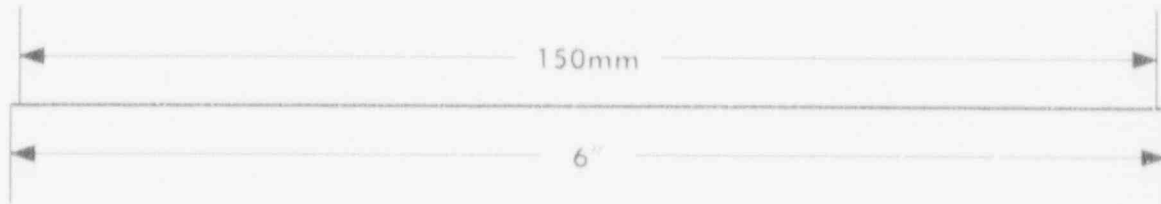
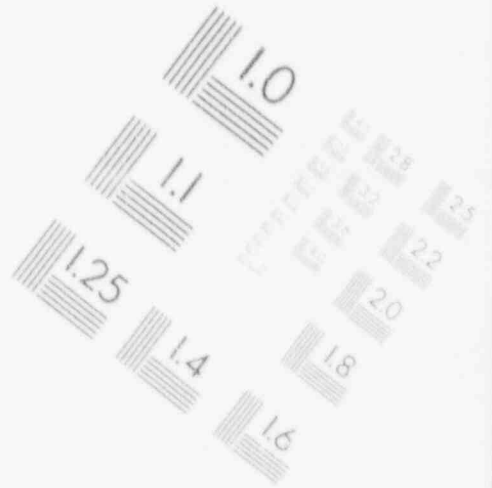
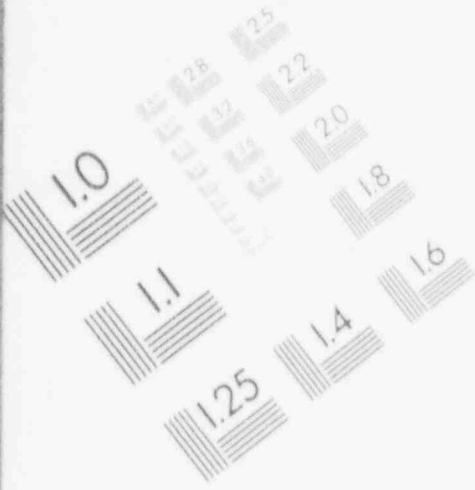
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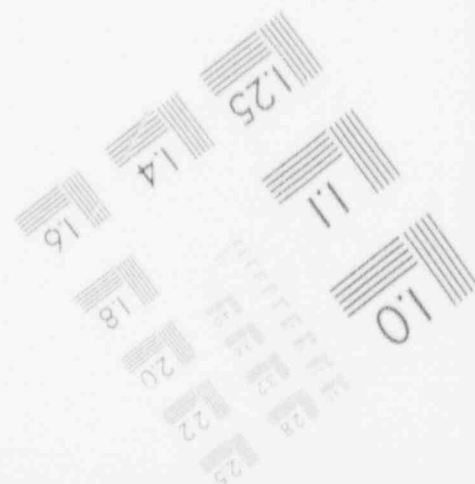
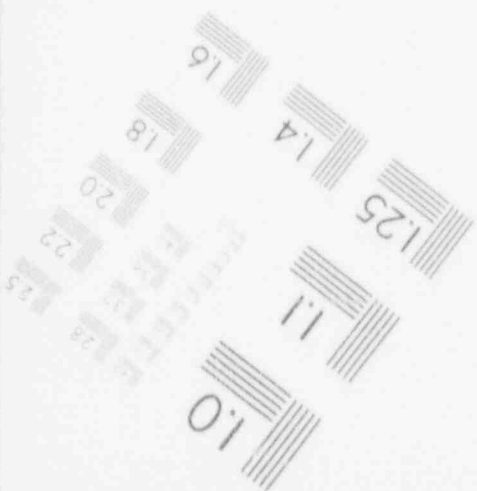
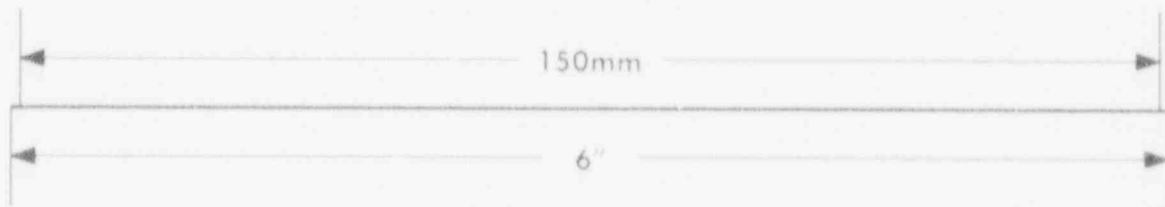
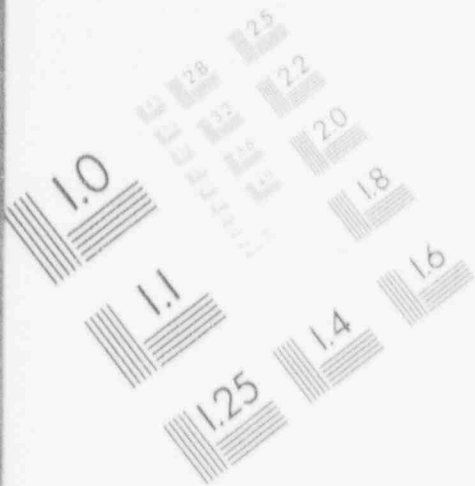
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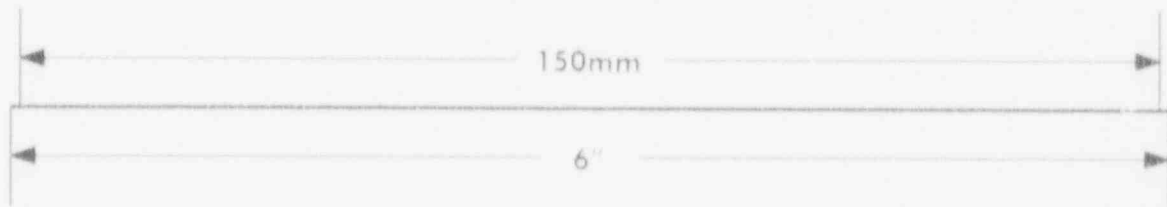
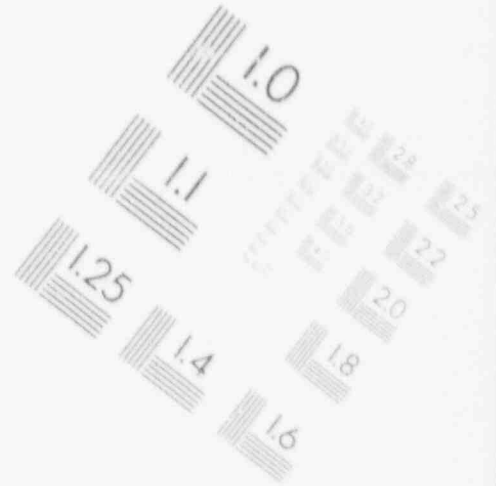
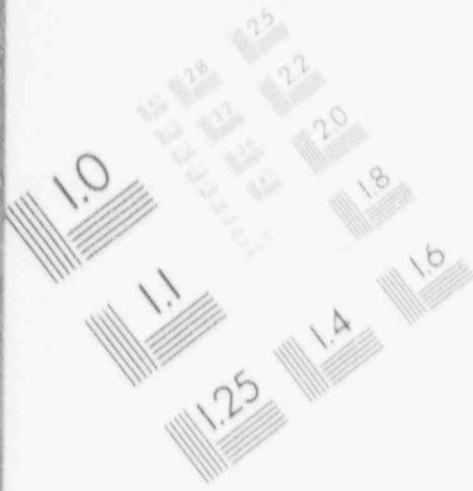
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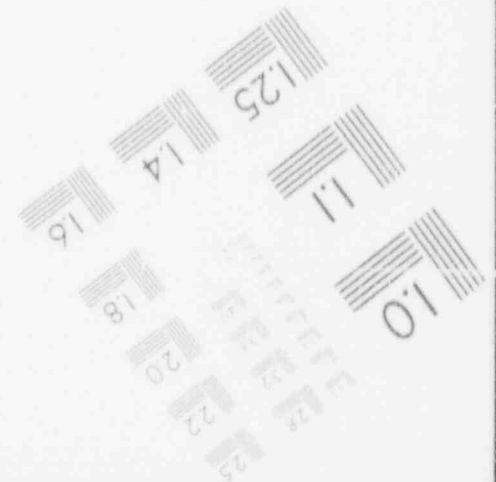
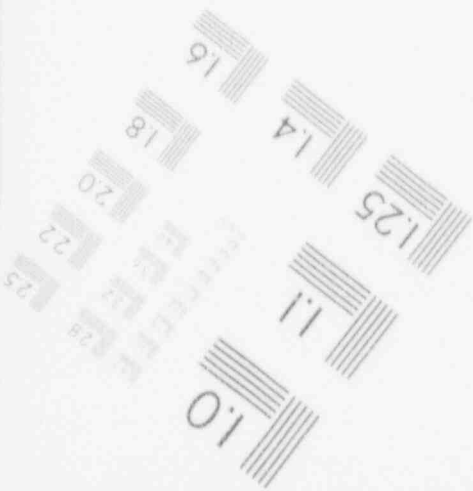
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II. SECY-93-333 - Final Amendments to 10 CFR Part 55 on Renewal
of Licenses and Requalification Requirements for Licensed
Operators

The Commission, by a 4-0* vote, approved final amendments to 10 CFR Part 55 and the proposed Federal Register notice with the changes indicated in the attachment. (RES) Suspend: 02/04/94 9200152

Attachment:
As stated

cc: The Chairman
Commissioner Rogers
Commissioner Remick
Commissioner de Planque
OGC
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR - Advance
DCS - P1-24

* Section 201 of the Energy Reorganization Act, 42 U.S.C. §5841, provides that action of the Commission shall be determined by a "majority vote of the members present." Commissioner de Planque was not present when this item was affirmed. Accordingly, the formal vote of the Commission was 3-0 in favor of the decision. Commissioner de Planque, however, had previously indicated that she would approve this paper and had she been present she would have affirmed her prior vote.

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 routine inspection frequency of at least once every 2 years will ensure active NRC oversight of facility licensee's requalification programs. For facility licensees with good performance, consideration will be given to not performing an on-site inspection during the SALP period.

(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

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.~~ [INSERT] 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. ~~During the SALP cycle for each licensee, the NRC expects it will request examinations or tests in advance for every on-site inspection.~~

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

INSERT FOR PAGE 11

During the on-site inspection, the inspectors will observe the facility evaluators administer written examinations and operating tests to the crews being evaluated. Although the facility examination may last several weeks, the NRC's on-site inspection usually lasts only one week. Normally, the NRC intends to request that the facility licensee submit only those written examinations or operating tests that will be administered during the week of the NRC inspection. Obtaining this examination material in advance of the inspection will allow the inspectors to prepare for their on-site inspection activities by reviewing the examinations or tests before they travel to the facility. This advance preparation will result in a more effective use of on-site inspection time and reduce the burden on the facility licensee by placing fewer demands on their training staff during the examination week.

Enclosure 3

CONGRESSIONAL LETTER PACKAGE



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

The Honorable Richard H. Lehman, Chairman
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed for the information of the subcommittee is a copy of a final rule to be published in the Federal Register that contains amendments to 10 CFR Part 55. Section 306 of the Nuclear Waste Policy Act (NWPA) of 1982 directed the NRC to promulgate regulations or other appropriate guidance to establish "simulator training requirements . . . and . . . requirements governing NRC administration of requalification examinations." On May 26, 1987, the NRC amended 10 CFR Part 55 to require 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.

At the time the regulation was amended, the Commission did not have confidence that each facility would conduct its required annual operating tests and written examinations in accordance with the Commission's expectations. That lack of confidence was due to the implementation of new aspects of the operator requalification program with which neither the NRC nor the industry had very much experience. Therefore, the Commission determined that during the term of a 6-year license, the staff would conduct individual operator requalification examinations for the purpose of license renewal. As a result of conducting this examination, the staff has determined that the existing regulations have established a high standard of licensee performance and that the NRC examiners are largely duplicating tasks already required of, and routinely performed by, the facility licensees.

The final rule will 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 amendment will require facility licensees to submit, upon request consistent with the Commission's inspection program needs, a copy of its requalification written examinations or annual operating tests 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 staff believes that operational safety at each facility will be improved by directing its examiners to inspect and oversee facility requalification programs rather than conducting requalification examinations. By redirecting the examiner resources, the staff expects to find and correct programmatic weaknesses earlier and thus improve operational safety.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Notice of Final Rulemaking

cc: Representative Barbara Vucanovich

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*see previous concurrences

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

The Honorable Joseph Lieberman, Chairman
Subcommittee on Clean Air and Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Notice of Final Rulemaking

cc: Senator Alan K. Simpson

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

The Honorable Philip R. Sharp, Chairman
Subcommittee on Energy and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Notice of Final Rulemaking

cc: Representative Michael Bilirakis

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*see previous concurrences

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Enclosure 4

PUBLIC ANNOUNCEMENT

NRC AMENDED REQUIREMENTS GOVERNING RENEWAL OF
LICENSES OF NUCLEAR POWER PLANT AND NON-POWER REACTOR OPERATORS

The Nuclear Regulatory Commission is amending its requirements governing the renewal of licenses of nuclear power plant and non-power reactor operators.

The amendment would eliminate the present requirement for a licensed operator at power, test, and research reactors to pass a comprehensive requalification written examination and operating test conducted by the NRC during the term of a six-year license as a prerequisite for license renewal.

Instead, requalification examinations would continue to be conducted by individual facility licensees who employ the operators. The existing NRC resources would then administer these programs by inspection and oversight of required facility requalification activities.

The amendment reflects experience gained since the requirement was put in place in May 1987 when:

- The term for operator licenses was changed from two years to six.
- Operating tests had to be conducted on plant reference simulators when they either were new or still under construction.
- Requalification programs were permitted to be based on a systems approach to training when the industry had not yet implemented the process for accrediting these programs.

Experience with this program has shown that NRC examiners largely are duplicating tasks already required of and routinely performed by the facility licensees as part of their requalification program.

In addition, in 1988, the NRC staff revised its requalification examination procedures to focus on performance-based evaluation criteria which enabled it to conduct comprehensive examinations for the purpose of renewing an individual operator's license and, at the same time, to use the results of the individual operator requalification examinations to determine the adequacy of a facility licensee's requalification training program.

Since 1987, the pass rates for individual operator requalification examinations have increased from 83 to 91 percent and the pass rate for facility licensees' requalification training programs have increased from 81 to 90 percent.

Further, the staff has seen a general improvement in the quality of the facility licensees' testing materials and in the performance of the facility test evaluators. Of the first 79 programs evaluated, 10 were found to be unsatisfactory; since that time, an additional 120 programs have been evaluated and only 6 additional programs were found to be unsatisfactory.

The amendment also would require facility licensees to submit, upon request consistent with the Commission's inspection program needs, a copy of their annual operating tests or comprehensive written examinations used for operator requalification to the NRC so that the staff could ensure that they conform to

NRC requirements. The tests and examinations would be used, together with other information already available to the staff, to determine the scope of an annual on-site requalification inspection.

Enclosure 5
REGULATORY ANALYSIS

REGULATORY ANALYSIS of FINAL RULE CHANGE
to
10 CFR Part 55

RENEWAL OF LICENSES AND REQUALIFICATION REQUIREMENTS FOR LICENSED OPERATORS

October 30, 1993

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SUMMARY

In 1987, the NRC amended 10 CFR Part 55 to add requirements for the requalification and renewal of operators' licenses. The regulations required licensed operators to pass facility requalification examinations and annual operating tests. In addition, the amended regulations required licensed operators to pass a comprehensive requalification written examination and operating test conducted by the NRC during the term of a 6-year license. Prior to 1987, NRC regulation did not require facility licensees to conduct continuous and rigorous examinations and training regulations programs for operators' licenses.

This additional requirement was added because at the time the regulation was amended, the NRC did not have sufficient confidence that each facility would conduct its annual operating tests and written examinations in accordance with the NRC's expectations. The lack of confidence was due to the implementation of new aspects of the operator requalification program with which neither the NRC nor the industry had very much experience. The new aspects included: 1) changing from a 2-year to a 6-year license term resulting in license renewal applications being submitted for NRC review much less frequently; 2) requiring operating tests on simulators when most of the industry's simulators were either new or still under construction; and 3) permitting requalification programs to be based on a systems approach to training when the industry had not implemented the process for accrediting these programs. After conducting these examinations over a 3-year period, however, NRC now has the confidence that facility licensees can successfully implement their own requalification programs. As a result, the NRC is amending the current requalification regulations in 10 CFR Part 55.

It is now believed that rather than requiring NRC-conducted requalification examinations, NRC can ensure safety and more effectively use its resources by periodically inspecting the licensee's requalification program. The final rulemaking, which would eliminate the need for each licensee to pass an NRC requalification examination, is intended to ensure and improve the continued effectiveness of the Part 55 requalification requirements.

The NRC is expected to incur one-time costs associated with development and implementation of the final rulemaking. These one-time NRC costs are estimated to total approximately \$200,000. If the NRC continues conducting requalification examinations for all licensed operators, the staff estimates that it would require 22.7 FTE (13.5 NRC + 9.2 contractor) each year. Implementing the final requalification inspection program would save 9.9 FTE (2.5 NRC + 7.4 contractor), equivalent to \$1.45 million each year. Facility licensees are expected to realize a combined annual operational cost savings of \$1.24 million. On a 1992 present worth basis, assuming an average 25-year remaining lifetime and a 5% real discount rate, the NRC and industry savings are equivalent to \$20.25 million and \$17.48 million, respectively.

ABBREVIATIONS

CFR - Code of Federal Regulations
FR - Federal Register
FY - Fiscal Year
NRC - U.S. Nuclear Regulatory Commission

1.0 INTRODUCTION

The NRC is amending the current requalification regulations for nuclear power reactor operating personnel contained in 10 CFR Part 55. Section 1 of this Regulatory Analysis includes background information, a discussion of the existing operator requalification examination requirements in 10 CFR Part 55, a statement of the issue, and the objectives of the final rulemaking. Section 2 identifies and discusses the proposed action and the alternative actions. Section 3 discusses the projected benefits and estimates the costs associated with adopting the final rulemaking. Section 4 provides the decision rationale and Section 5 discusses the implementation schedule.

1.1 BACKGROUND

Section 306 of the Nuclear Waste Policy Act of 1982 (42 USC 10226, Public Law 97-425, January 7, 1983) authorized and directed the U.S. NRC to promulgate regulations or other appropriate regulatory guidance for the training and qualifications of civilian nuclear power plant operators. The regulations or regulatory guidance were required to establish, among other things, requirements governing the NRC's administration of requalification examinations. The NRC accomplished this objective by revising 10 CFR Part 55, to add § 55.59(a)(2)(iii) to provide that the NRC could conduct a comprehensive requalification written examination and operating test in lieu of accepting certification that the licensee had passed written examinations and operating tests conducted by the facility. The NRC also developed guidance for examiners to conduct NRC requalification examinations.

In SECY-86-348, dated November 21, 1986, the NRC described the revisions that it made to 10 CFR Part 55 in response to Section 306 of the Nuclear Waste Policy Act. On February 12, 1987, the Commission approved the proposed amendments in SECY-86-348, adding the requirement in 10 CFR 55.57(b)(2)(iv) for each licensee to pass an NRC-conducted requalification examination during the 6-year term of the individual's license.

1.2 STATEMENT OF THE ISSUE

In 1987, the NRC amended 10 CFR Part 55 to add requirements for the requalification and renewal of operators' licenses. In accordance with § 55.57(b)(2)(iii), licensed operators are required to pass facility requalification examinations and annual operating tests. In § 55.57(b)(2)(iv), licensed operators are also required to pass a comprehensive requalification written examination and operating test conducted by the NRC during the term of a 6-year license. These regulations establish requirements that impose a dual responsibility on both the facility licensee, which assists in developing and conducting its own as well as NRC requalification examinations, and the NRC which supervises the facility licensee requalification program and conducts a comprehensive requalification examination during the term of an operator's 6-year license.

Before 1987, NRC regulations did not require facility licensees to conduct continuous and rigorous examinations and training and requalification

programs. As a result, the Commission did not have confidence that each facility would conduct its annual operating tests and written examinations in accordance with the staff's expectations. The lack of confidence was due to the implementation of new aspects of the operator requalification program with which neither the NRC nor the industry had very much experience. The new aspects included: 1) changing from a 2-year to a 6-year license term resulting in license renewal applications being submitted for NRC review much less frequently; 2) requiring operating tests on simulators when most of the industry's simulators were either new or still under construction; and 3) permitting requalification programs to be based on a systems approach to training when the industry had not implemented the process for accrediting these programs.

As a result, the NRC determined that during the first term of a 6-year license issued after the 1987 amendment to Part 55, the NRC would conduct requalification examinations of operators for the purpose of license renewal. As a result of conducting these examinations over a 3-year period, it has been determined that the NRC examiners are largely duplicating the tasks already required of, and routinely performed by, the facility licensees. The final rulemaking is therefore being considered to ensure and improve the continued effectiveness of the Part 55 requalification requirements.

If the NRC adopts the final rulemaking and deletes the requirement for each licensed individual to pass an NRC requalification examination during the 6-year term of the individual's license, the regulations in 10 CFR 55.57, "Renewal of Licenses," and 10 CFR 55.59, "Requalification," will continue to meet the requirements of Section 306 of the Nuclear Waste Policy Act (NWPA). The regulations will continue to require facilities to have requalification programs and conduct requalification examinations. The NRC will administer these programs by providing oversight for the programs through inspections. In addition, § 55.59(a)(2)(iii) provides that the NRC may conduct requalification examinations in lieu of accepting the facility licensee's certification that a licensed individual has passed the facility requalification examination.

The NRC will use this option if warranted after conducting an onsite inspection of the facility's requalification program. The final rule would not affect the regulatory and other appropriate guidance required by Section 306 of the NWPA and described in § 55.59(a)(2)(iii) for administering NRC requalification examinations in lieu of facility examinations.

1.3 OBJECTIVES

The objective of the final rulemaking is to improve the effectiveness of the current regulations for operator requalification and renewal of operators' licenses. The current regulations, which were amended in 1987, require licensed operators to pass a comprehensive requalification written examination and operating test administered by the NRC during the term of a 6-year license. At the time the regulation was amended in 1987, the NRC did not have confidence that each facility would conduct its annual operating tests and written examinations in accordance with the NRC's expectations. The lack of

confidence was due to the implementation of new aspects of the operator requalification program with which neither the NRC nor the industry had very much experience. The new aspects included: 1) changing from a 2-year to a 6-year license term resulting in license renewal applications being submitted for NRC review much less frequently; 2) requiring operating tests on simulators when most of the industry's simulators were either new or still under construction; and 3) permitting requalification programs to be based on a systems approach to training when the industry had not implemented the process for accrediting these programs.

The experience gained from conducting these examinations over a 3-year period indicates that the existing regulations have established a high standard of licensee performance and that the NRC is largely duplicating the efforts of the facility licensees. Further, the industry has since developed criteria for accrediting licensed operator requalification programs at facilities. Based on this experience, NRC now has the confidence that facility licensees can implement their own requalification program in accordance with 10 CFR 55.59(c)(4). As a result, it is now believed that rather than conducting these requalification examinations, NRC can ensure safety and more effectively use its resources by periodically inspecting the licensee's requalification program.

2.0 REGULATORY ALTERNATIVES

This section discusses the reasonable alternatives considered for meeting the regulatory objective identified in Section 1.3.

2.1 TAKE NO ACTION

One alternative to the final rule changes would be to take no action. Taking no action would allow current licensed operator requalification practices to continue. However, this alternative would disregard the insights gained from conducting the NRC requalification examinations over a 3-year period. This alternative also neglects consideration of the industry-related progress that has been made over the past several years in the area of operator requalification programs.

2.2 PROPOSED ACTION

The regulations must be amended in two places to implement the proposed rule change. First, delete 10 CFR 55.57(b)(2)(iv) requiring each licensed individual to pass an NRC-conducted requalification examination during the term of his or her license. Second, amend 10 CFR 55.59(c) to require a facility licensee to submit to the Commission, upon request consistent with the Commission's inspection program needs, a copy of its comprehensive written examinations or annual operating tests. These actions will ensure that the level of safety for plant operations is maintained and even improved, and remove the dual responsibility of the facility licensee and the NRC for the conduct of licensed operator requalification examinations.

In addition, 10 CFR 55.2, "Scope," will be revised to include facility licensees. This will eliminate the currently existing ambiguities between the regulations of Part 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.

Licensed operators would not be required to take any additional actions. Each operator would 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. However, the facility licensees would be required to submit, upon request consistent with the Commission's inspection program needs, a copy of its annual operating tests or comprehensive written examinations used for operator requalification to the Commission for review. The NRC would review these examinations for conformance with 10 CFR 55.59(a)(2), i&ii). The NRC would conduct this review and review other information already available to the NRC to determine the scope of an onsite inspection of the facility requalification program. The NRC would continue to expect each facility to meet all of the conditions required for conducting a requalification program in accordance with 10 CFR 55.59(c).

3.0 CONSEQUENCES

This section discusses the benefits and costs that may result from the final rulemaking. The benefits and costs of the final rulemaking are compared with those associated with the status quo using the current regulations as a baseline. Table 3.1 identifies the potential effects associated with the final rulemaking.

As described in Section 2.2, the proposed action involves two distinct regulatory amendments. However, the dominant consequences (both in terms of values and impacts) of the proposed action are associated with the amendment which eliminates the requirement for licensed individuals to pass NRC-conducted requalification examinations. The consequences of the second amendment, which requires exams and annual operating tests, are considered relatively insignificant. Therefore, although the proposed action involves two distinct regulatory amendments, the consequences of these two amendments are evaluated together. As a result, the values and impacts identified in this Section and summarized in Tables 3.2 and 3.3 represent the consequences of the complete regulatory action.

Table 3.1. Checklist for Identification of Potential Effects

<u>Potential Effect</u>	<u>Quantified Change</u>	<u>Qualitative Change</u>	<u>No Significant Change</u>
Public Health & Safety		X	
Public Property			X
Occupational Health & Safety			X
Industry Property			X
Industry Implementation Costs			X
Industry Operation Costs	X		
NRC Development Costs	X		
NRC Implementation Costs	X		
NRC Operation/Review Costs	X		
Regulatory Effectiveness		X	
Reduced Regulatory Burden		X	

3.1 ESTIMATION OF VALUES (SAFETY-RELATED CONSEQUENCES)

The benefits of the final rulemaking are evaluated in terms of the general objectives stated in Section 1.3, namely, to ensure safety and improve the effectiveness of the NRC examiner resources. These benefits are not readily quantifiable and, as a result, are discussed here qualitatively. The primary qualitative benefits associated with the final rulemaking accrue from increased effectiveness of the NRC examiner resources.

The staff's experience since the beginning of the requalification program indicates that the weaknesses in the implementation of the facility program are generally the root cause of significant deficiencies in the performance of

licensed operators. The performance on NRC-conducted examinations of licensed operators who have participated in comprehensive facility requalification programs has been very good. The failure rate of individual licensed operators was 9% in FY91. The FY92 failure rate of individual licensed operators was 7%.

Based on this experience, it is believed that NRC examiner resources could be more effectively used to perform onsite 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 redirecting the NRC examiner resources toward facility programs rather than individuals, programmatic weaknesses should be identified and corrected more rapidly.

The final regulatory action directing the NRC examiners to inspect and oversee facility requalification programs rather than conducting requalification examinations would ensure that licensed individuals and operating crews are qualified to safely operate the facility and that operational safety would be improved at each facility.

3.2 ESTIMATION OF IMPACTS (ECONOMIC CONSEQUENCES)

The final rule would reduce the burden on the facility licensee because the administrative and technical staff would expend fewer hours than are now required to assist in developing and conducting the NRC requalification examination. Similarly, a net savings would accrue to the NRC due to the elimination of most NRC requalification examinations.

In estimating the impact of the final regulatory action, the following types of costs were considered. For the industry, costs include onsite property costs, implementation costs, and operation costs. For the NRC, costs include development costs, implementation costs, and operation costs.

3.2.1 Onsite Property and Industry Implementation Costs

Because the final rule is expected to have no significant impact on the accident frequency, there is no expected impact on potential onsite property damage. Similarly, since implementation of the final rulemaking does not require licensees to purchase special equipment or materials, nor does it involve additional facility labor requirements, there are no expected industry implementation costs.

3.2.2 Industry Operation Costs

Under the current regulations, facility licensees provide assistance to the NRC in the development and conduct of the NRC requalification examinations. This assistance includes providing to the NRC the training materials used for development of the written and operating examinations. In addition, the current regulations require that an examination team made up of NRC examiner and facility evaluators co-conduct, validate, and co-supervise the NRC examinations to ensure that the NRC examinations are valid and appropriate for the facility at which the examinations are being given.

The labor burden and amount of material that each facility licensee currently provides to the NRC for the routine NRC requalification examinations is expected to be larger than the amount projected under the proposed regulatory action. Under the final rulemaking, each facility licensee is expected to continue in its present manner of conducting requalification training programs. However, adopting the final rulemaking would reduce the regulatory burden on the facility licensees by removing the dual effort expended by the facility to assist the NRC in developing and conducting NRC requalification examinations for all licensed operators. As a result, fewer hours would be expended by its technical and administrative staff which are now required to assist in developing and conducting the NRC requalification examination. Table 3.2 provides a summary of the estimated current industry costs associated with the NRC requalification examinations. Table 3.3 provides a summary of the estimated industry costs associated with the NRC requalification program inspections after implementation of the final rulemaking.

Table 3.2. Affected Current Industry Costs (per NRC examination)

<u>Cost Element</u>	<u>Best Estimate (\$)</u>
SALARIES AND BENEFITS	
Facility administrative staff (to prepare reference materials for NRC)	1,000 ¹
Facility technical staff (to assist NRC with developing and conducting the NRC examinations)	28,800 ²
Facility administrative staff (to assist NRC with conducting the NRC examinations)	1,000
Total Direct Salaries	----- 30,800
MATERIALS AND SERVICES	
Expendable Supplies (to provide the NRC all the material used for development of the written and operating examinations)	100
Reproduction Expenses	100
Shipping Expenses	1,000
Total Materials and Services	----- 1,200
TOTAL FACILITY COSTS TO SUPPORT NRC EXAMINATIONS	----- 32,000

¹20 person-hours @ \$50/person-hour. The value of \$50/person-hour is rounded from the standard labor rate of \$48/person-hour from the most recent draft of the Regulatory-Analysis Technical Evaluation Handbook.

²576 staff-hours @ \$50/hour

Table 3.3. Affected Industry Costs (per NRC inspection) After final Changes

<u>Cost Element</u>	<u>Best Estimate (\$)</u>
- SALARIES AND BENEFITS	
Facility administrative staff (to prepare inspection materials for NRC)	750 ³
Facility technical staff (to assist NRC in the inspection of the facility requalification program)	14,400 ⁴
Facility administrative staff (to assist NRC in the inspection of the facility requalification program)	1,000 ⁵

Total Direct Salaries	16,150
MATERIALS AND SERVICES	
Expendable Supplies (to provide the NRC all the material used for inspection of the facility requalification program)	50
Reproduction Expenses	50
Shipping Expenses	500

Total Materials and Services	600

TOTAL FACILITY COSTS TO SUPPORT NRC INSPECTIONS	16,750

³15 person-hours @ \$50/hour

⁴288 staff-hrs @ \$50/hour

⁵20 person-hrs @ \$ 50/hour

There are 75 facility licensee requalification programs, each operating on a 2-year cycle. This would imply on average 37 program inspections per year could be conducted. However, current practice involves 1 NRC requalification examination per program-year for 65 of these 75 programs. This would result in an annual industry cost of $(\$32,000/\text{program-year})(65 \text{ programs}) = \2.08 million/yr. As a third option, assuming that, after the proposed changes, NRC would administer the SALP program with an average cycle of 18 months, this would result in 50 requalification program inspections per program-year. The annual industry cost of $(\$16,750/\text{program-yr})(50 \text{ programs}) = \$838,000/\text{yr}$. This would indicate an annual industry cost savings of \$1.24 million associated with the final rule. This latter industry cost savings has been used in the value impact evaluation.

3.2.3 NRC Development Costs

NRC development costs are the costs of preparations prior to implementation of the proposed regulatory action. These costs usually consist of labor costs and overhead within the NRC and the cost of procuring contractors to perform tasks not undertaken within the NRC. Only incremental costs resulting from adoption of the proposed action should be included.

Much of the development work has been completed on this action and, as such, is a sunk cost. These costs are not included in this analysis because they will be incurred both for this action and for the alternative. It is expected, however, that additional NRC staff time will be required before implementation of the final rulemaking can occur. This staff time is primarily associated with the development of the new inspection program and inspection module.

Some of these costs will be incurred regardless of whether the proposed action is adopted or rejected. For example, an NRC Tiger Team is presently developing a new inspection program. As a result, these costs are not included in this analysis. It is estimated that the equivalent of 0.5 staff-year will be required to complete all phases of the development process. Based on an NRC labor cost estimate of \$50/person-hr, the above labor requirement results in an NRC development cost of approximately \$50,000.⁶

3.2.4 NRC Implementation Costs

NRC implementation costs are those costs that the NRC will incur to implement the action once a proposed action is defined and the Commission endorses its application. It is estimated that implementation of the proposed action will require one professional NRC staff person-year at a cost of \$100,000/person-year.

⁶The value of \$50/person-hour is rounded from the standard NRC labor rate of \$48/person-hour from the most recent draft of the Regulatory Analysis Technical Evaluation Handbook.

In addition, the NRC will also incur one-time implementation costs associated with:

- training of NRC and contractor examiners on the new inspection module requirements
- conduct of pilot inspections
- modification of the inspection module

The incremental, one-time costs associated with these three implementation activities are estimated to be \$50,000. As a result, the total NRC implementation costs are estimated to be \$150,000.

3.2.5 NRC Operation Costs

The Office of Nuclear Reactor Regulation (NRR), the office responsible for administering and budgetary planning for the requalification examination program, has estimated the NRC cost implications of the final rule. Their analysis focussed solely on NRC staff resources and contractor support because these were the only cost factors judged to be affected by the final rule.

In FY92, the NRC resources committed to this program for NRC staff and contractor support were approximately 12 FTE and \$1.3 million, respectively. The staff projects that a slightly larger average number of examinations, requiring approximately 1.5 additional staff FTE and an additional \$200,000 contractor 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. For regulatory analysis purposes, 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.⁷

Under the final rule, 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

⁷NRC 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).

a 5% real discount rate, the 1992 present worth savings in NRC resources is estimated at about \$20.25 million in 1992 dollars.

3.3 VALUE-IMPACT ASSESSMENT SUMMARY

The overall objective of this analysis was to assess the values and impacts (costs and savings) expected to result from implementation of the final rulemaking. Values were qualitatively discussed in Section 3.1. Impacts were assessed for the proposed rulemaking in Section 3.2 relative to the status quo. These impacts are summarized in Table 3.4.

Table 3.4 Summary of Cost Savings to Industry and the NRC (1992 Dollars)

	<u>Annual</u>	<u>Lifetime (1992 Present Worth)*</u>
INDUSTRY SAVINGS		
Operation	\$ 1,240,000	\$17,480,000
NRC SAVINGS		
Development (one-time cost)		-\$50,000
Implementation (one-time cost)		-\$150,000
Operation	\$1,450,000	\$20,445,000
TOTAL NRC SAVINGS		\$20,250,000

3.4 IMPACT ON OTHER REQUIREMENTS

The principal impact of the final rulemaking would be on affected licensees and licensee employees. The cost impact on licensees is discussed in Section 3.2. Impacts on other government agencies are expected to be minimal. The impacts on NRC programs and requirements are also expected to be relatively small. The NRC has had existing personnel and procedures for conducting licensed operator requalification examinations since the program began in 1988. It is not anticipated that the NRC would need to add any additional staff or administrative personnel as a result of this final rulemaking. The

*NUREG/CR-3568, A Handbook for Value Impact Assessment

administration of the revised regulations would be absorbed by current NRC personnel and staff.

4.0 DECISION RATIONALE

NRC staff has found that, in light of experience gained over the past several years, the proposed revisions would ensure the overall effectiveness of the regulations in Part 55. This would be accomplished by eliminating the dual responsibility for the licensee and the NRC to conduct individual operator requalification examinations for the purpose of license renewal. Resources of the operator licensing program would be used more effectively.

The final rule will continue to assure that licensed operators can operate controls in a safe manner and provide for direct inspection of the quality of the facility licensees' requalification programs. In fact, the NRC staff believes that the final rule will improve operational safety by allocating resources based on the performance of each facility, rather than on the number of individuals that need their license renewed. The NRC staff believes that this action will result in earlier identification and correction of programmatic weaknesses. The staff has found that these are generally the root cause of individual operator performance deficiencies.

5.0 IMPLEMENTATION SCHEDULE

It is assumed that all licensees will be able to implement the requirements of the rule within 60 days after the effective date of the rule. This assumption is based on the fact that no changes to the industry's existing operator requalification programs will be required other than to begin submitting upon request consistent with the Commission's inspection program needs, copies of the comprehensive written examinations or annual operating tests to the NRC for review.

6.0 REFERENCES

Gallucci, et al., Regulatory Analysis Technical Evaluation Handbook. Draft. November 1991. Pacific Northwest Laboratories. Richland, WA.

Auluck, R., ISSUE PAPER for Proposed Revisions to 10 CFR Part 55 -- Requalification and Renewal of Operators' Licenses. 7/13/92. U.S. Nuclear Regulatory Commission. Washington, DC.

Request for OMB Review

"AE39-"
"PD"

Important

Read instructions before completing form. Do not use the same SF 83 to request both an Executive Order 12291 review and approval under the Paperwork Reduction Act.

Answer all questions in Part I. If this request is for review under E.O. 12291, complete Part II and sign the regulatory certification. If this request is for approval under the Paperwork Reduction Act and 5 CFR 1320, complete Part II, complete Part III and sign the paperwork certification.

Send three copies of this form, the material to be reviewed, and for paperwork—three copies of the supporting statement, to:

Office of Information and Regulatory Affairs
Office of Management and Budget
Attention: Docket Library, Room 3201
Washington, DC 20503

PART I—Complete This Part for All Requests.

1. Department, agency and Bureau/office originating request

U.S. Nuclear Regulatory Commission

2. Agency code

3 1 5 0

3. Name of person who can best answer questions regarding this request

Anthony DiPalo

Telephone number

(301) 492-3758

4. Title of information collection or rulemaking

Reactor Operator and Senior Reactor Operator Licensing Training and Requalification Programs

5. Legal authority for information collection or rule (cite United States Code, Public Law, or Executive Order)

42 USC 2201(o)

6. Affected public (check all that apply)

1 Individuals or households

3 Farms

5 Federal agencies or employees

2 State or local governments

4 Businesses or other for-profit

6 Non-profit institutions

7 Small businesses or organizations

PART II.—Complete This Part Only if the Request is for OMB Review Under Executive Order 12291

7. Regulation Identifier Number (RIN)

or None assigned

8. Type of submission (check one in each category)

Classification

1 Major

2 Nonmajor

Stage of development

1 Proposed or draft

2 Final or interim final, with prior proposal

3 Final or interim final, without prior proposal

Type of review requested

1 Standard

2 Pending

3 Emergency

4 Statutory or judicial deadline

9. CFR section affected

CFR

10. Does this regulation contain reporting or recordkeeping requirements that require OMB approval under the Paperwork Reduction Act and 5 CFR 1320?

Yes No

11. If a major rule, is there a regulatory impact analysis attached?

1 Yes 2 No

If "No," did OMB waive the analysis?

3 Yes 4 No

Certification for Regulatory Submissions

In submitting this request for OMB review, the authorized regulatory contact and the program official certify that the requirements of E.O. 12291 and any applicable policy directives have been complied with.

Signature of program official

Date

Signature of authorized regulatory contact

Date

12. (OMB use only)

9401310268 37pp

PART III. — Complete This Part Only if the Request is for Approval of a Collection of Information Under the Paperwork Reduction Act and 5 CFR 1320.

13. Abstract—Describe needs, uses and affected public in 50 words or less "Nuclear Power Plant Safety Atomic Reactors"
 In lieu of submitting material for NRC preparation of operator and senior operator requalification examinations, NRC will only request copies of licensee prepared examinations from a few licensees if problems are anticipated.

14. Type of information collection (check only one)

Information collections not contained in rules

1 Regular submission

2 Emergency submission (certification attached)

Information collections contained in rules

3 Existing regulation (no change proposed)

6 Final or interim final without prior NPRM

4 Notice of proposed rulemaking (NPRM)

A Regular submission

5 Final. NPRM was previously published

B Emergency submission (certification attached)

7. Enter date of expected or actual Federal Register publication at this stage of rulemaking (month, day, year): _____

15. Type of review requested (check only one)

1 New collection

4 Reinstatement of a previously approved collection for which approval has expired

2 Revision of a currently approved collection

3 Extension of the expiration date of a currently approved collection without any change in the substance or in the method of collection

5 Existing collection in use without an OMB control number

16. Agency report form number(s) (include standard/optional form number(s))

NONE

22. Purpose of information collection (check as many as apply)

1 Application for benefits

2 Program evaluation

3 General purpose statistics

4 Regulatory or compliance

5 Program planning or management

6 Research

7 Audit

17. Annual reporting or disclosure burden

1 Number of respondents	108
2 Number of responses per respondent	1.1
3 Total annual responses (line 1 times line 2)	120
4 Hours per response	12.9
5 Total hours (line 3 times line 4)	1,552

23. Frequency of recordkeeping or reporting (check all that apply)

1 Recordkeeping

Reporting

2 On occasion

3 Weekly

4 Monthly

5 Quarterly

6 Semi-annually

7 Annually

8 Biennially

9 Other (describe): _____

18. Annual recordkeeping burden

1 Number of recordkeepers	
2 Annual hours per recordkeeper	
3 Total recordkeeping hours (line 1 times line 2)	
4 Recordkeeping retention period	years

19. Total annual burden

1 Requested (line 17.5 plus line 18.3)	1,552
2 In current OMB inventory	1,880
3 Difference (line 1 less line 2)	- 358
Explanation of difference	
4 Program change	358
5 Adjustment	

20. Current (most recent) OMB control number or comment number

3150-0101

24. Respondents' obligation to comply (check the strongest obligation that applies)

1 Voluntary

2 Required to obtain or retain a benefit

3 Mandatory

21. Requested expiration date

3 years from approval

25. Are the respondents primarily educational agencies or institutions or is the primary purpose of the collection related to Federal education programs? Yes No

26. Does the agency use sampling to select respondents or does the agency recommend or prescribe the use of sampling or statistical analysis by respondents? Yes No

27. Regulatory authority for the information collection

10 CFR 55, or FR, or Other (specify): _____

Paperwork Certification

In submitting this request for OMB approval, the agency head, the senior official or an authorized representative, certifies that the requirements of 5 CFR 1320, the Privacy Act, statistical standards or directives, and any other applicable information policy directives have been complied with.

Signature of program official _____ Date _____

Signature of agency head, the senior official or an authorized representative _____ Date _____

Gerald F. Cranford, DSO for Information Resources Management

1/26/90

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 in § 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 rule changes is separately cleared under OMB clearance number 3150-0101, "Reactor Operator and Senior Reactor Operator Licensing Training and Requalification Programs."

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) have been 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, of 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 § 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:*

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

* 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.

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:*

<u>Licensees Affected</u>	<u>Hours per Licensee</u>	<u>Total Burden</u>	<u>Licensee Cost at \$132/Hr</u>
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, or an average of 3.3 hours for each of the 108 licensees, because 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.

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.

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, proposed 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 administer 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 university operated research reactor, stating that submitting requalification examinations by the facility to the NRC for review prior to administering the 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, NE08-3019, (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

¹NRC 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.

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 26th day of January, 1994.

For the Nuclear Regulatory Commission.


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

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 26th day of January, 1994.

For the Nuclear Regulatory Commission.

Original signed by
Gerald F. Cranford

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

[SUPP.55]
Offc: RDB: DRA
Name: ADIPalo
Date: 1/4/94

R. Auluck
RDB: DRA
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S. Bahadur
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Accordingly, the program fees are being increased as set forth below.

Program Changes Adopted in the Final Rule

This document makes the following changes in the regulations implementing the dairy inspection and grading program:

1. Increases the hourly fee for nonresident services from \$44.60 to \$47.20 for services performed between 6 a.m. and 6 p.m. and from \$49.00 to \$52.00 for services performed between 6 p.m. and 6 a.m.

The nonresident hourly rate is charged to users who request an inspector or grader for particular dates and amounts of time to perform specific grading and inspection activities. These users of nonresident services are charged for the amount of time required to perform the task and undertake related travel, plus travel costs.

2. Increases the hourly fee for continuous resident services from \$39.60 to \$42.20.

The resident hourly rate is charged to those who are using grading and inspection services performed by an inspector or grader assigned to a plant on a continuous, year-round, resident basis.

List of Subjects in 7 CFR Part 58

Dairy products, Food grades and standards, Food Labeling, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 58 is amended as follows:

PART 58—[AMENDED]

Subpart A—Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products

1. The authority citation for part 58 is revised to read as follows:

Authority: 7 U.S.C. 1621-1627, unless otherwise noted.

2. Section 58.43 is revised to read as follows:

§ 58.43 Fees for inspection, grading, and sampling.

Except as otherwise provided in § 58.43 and §§ 58.38 through 58.46, charges shall be made for inspection, grading, and sampling service at the hourly rate of \$47.20 for service performed between 6 a.m. and 6 p.m., and \$52.00 for service performed between 6 p.m. and 6 a.m., for the time required to perform the service calculated to the nearest 15-minute period including the time required for

preparation of certificates and reports and the travel time of the inspector and grader in connection with the performance of the service. A minimum charge of one-half hour shall be made for service pursuant to each request or certificate issued.

3. Section 58.45 is revised to read as follows:

§ 58.45 Fees for continuous resident service.

Irrespective of the fees and charges provided in §§ 58.39 and 58.43, charges for the inspector(s) and grader(s) assigned to a continuous resident program shall be made at the rate of \$42.20 per hour for services performed during the assigned tour of duty. Charges for service performed in excess of the assigned tour of duty shall be made at a rate of 1½ times the rate stated in this section.

Dated: February 2, 1994.

Lon Hatamiya,

Administrator.

[FR Doc. 94-2961 Filed 2-8-94; 8:45 am]

BILLING CODE 3110-02-P

NUCLEAR REGULATORY COMMISSION

10 CFR Part 55

RIN 3150-AE39

Renewal of Licenses and Qualification 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 needs of the Commission's inspection program, 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: March 11, 1994.

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, proposed 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, 38 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 licensee requalification, utilities have proven their ability to develop and administer 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 amendment 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 routine inspection frequency of at least once every 2 years will ensure active NRC oversight of facility licensee's requalification programs. For facility licensees with good performance, consideration will be given to not performing an onsite inspection during the SALP period.

(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 university operated research reactor, stating that submitting requalification examinations by the facility to the NRC for review

prior to administering the 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 available for review at NRC offices in addition to other documentation customarily provided, consistent with the Commission's inspection program needs. During the on-site inspection, the inspectors will observe the facility evaluators administer written examinations and operating tests to the crews being evaluated. Although the facility examination may last several weeks, the NRC's on-site inspection usually lasts only one week. Normally, the NRC intends to request that the facility licensee submit only those written examinations or operating tests that will be administered during the week of the NRC inspection. Obtaining this examination material in advance of the inspection will allow the inspectors to prepare for their on-site inspection activities by reviewing the examinations or tests before they travel to the facility. This advance preparation will result in

a more effective use of on-site inspection time and reduce the burden on the facility licensee by placing fewer demands on their training staff during the examination week. 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 part 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 (l) 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 Recertification 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 DiPaio, 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 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)(i&ii). 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, NRC'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 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

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).

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 in 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.

PART 55—OPERATORS' LICENSES

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

Authority: Secs. 107, 161, 182, 88 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).

Sections 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). Section 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. Section 55.57 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 2nd day of February, 1994.

For the Nuclear Regulatory Commission,
Samuel J. Chilk,

Secretary of the Commission.

[FR Doc. 94-2927 Filed 2-8-94; 8:45 am]

BILLING CODE 7590-01-P

RESOLUTION TRUST CORPORATION

12 CFR Part 1627

RIN 3205-AA19

Service of Process Upon the Resolution Trust Corporation

AGENCY: Resolution Trust Corporation.

ACTION: Final rule.

SUMMARY: The Resolution Trust Corporation (RTC) hereby issues this final rule designating the officers upon whom service of process may be made when RTC is sued in its receivership, conservatorship, or corporate capacities. In the interest of providing prompt guidance in an area that has caused much confusion, RTC is publishing this final rule.

EFFECTIVE DATE: This final rule is effective February 9, 1994.

FOR FURTHER INFORMATION CONTACT: Gregg H. S. Golden (Counsel), telephone 202-736-3042.

SUPPLEMENTARY INFORMATION:

I. Background

Section 501(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) added a new section 21A to the Federal Home Loan Bank Act, 12 U.S.C. 1441a, establishing the RTC. RTC was authorized to sue and be sued in its corporate capacity (12 U.S.C. 1441a(b)(9), as amended by the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991, Public Law No. 102-233, sections 310 and 314(2)(B)(i), 105 Stat. 1781, 1789, 1771 (1991)). The provisions of the Federal Rules of Civil Procedure establishing the method for service of process upon a government corporation contemplate

that the corporation will designate an agent for service.

By reference to section 11, 12, and 13 of the Federal Deposit Insurance Act, 12 U.S.C. 1821, 1822, and 1823, FIRREA also granted RTC the same powers as the Federal Deposit Insurance Corporation when acting in its receivership or conservatorship capacity (12 U.S.C. 1441a(b)(4)(A), as amended). Inherent among these is the power to sue and be sued in such capacity, see 12 U.S.C. 1821(d)(2).

Because of the important differences among the capacities in which RTC functions, process is frequently served upon officers, employees, or temporary agents who have little or no connection with or responsibility for the component of RTC involved in the underlying lawsuit. Both RTC and the litigants are inconvenienced by the resulting confusion, delay, and expense. In the interest of reducing these costs to the public, RTC by this rule designates the agents who will accept service of process on behalf of RTC in its conservatorship, receivership, and corporate capacities.

Because RTC acts as conservator or receiver for a large number of savings associations, and because compulsory process (such as a subpoena for production of documents) does not always clearly identify the institution in question, the regulation provides that where process is served upon RTC in its capacity as conservator or receiver for a savings association, the savings association should be clearly identified on the face of the papers. This provision is intended to facilitate a prompt and constructive response to the papers.

On April 8, 1993 (58 FR 18144), RTC issued an Interim Rule with Request for Comments, designating its agents for service of process. A printing error in the original publication was corrected by notice on April 22, 1993 (58 FR 21627). RTC has proceeded under authority of the interim rule in the succeeding months, and thus has obtained useful experience in the practicality of the rule. RTC has received one comment on its interim rule and is now issuing a final rule.

II. Comment and Discussion

In response to the April 8, 1993, interim rule and request for comment, RTC received one comment. That single comment commended RTC's express designation of agents for service of process, and asked that RTC also consider designating specific officers to receive notices under agreements with other parties.

RTC's experience with the interim rule has been generally favorable.

III. Regulatory Flexibility Act Statement

Pursuant to section 605(b) of the Regulatory Flexibility Act, RTC hereby certifies that this proposal is not expected to have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required.

List of Subjects in 12 CFR Part 1627

Administrative practice and procedure.

For the reasons set out in the preamble, the Resolution Trust Corporation revises part 1627 of title 12, chapter XVI, of the Code of Federal Regulations to read as follows:

PART 1627—SERVICE OF PROCESS UPON THE RESOLUTION TRUST CORPORATION

Sec.

1627.1 Service of process on RTC in its corporate capacity.

1627.2 Service of process on RTC as conservator or receiver.

Authority: 12 U.S.C. 1441a(b)(4)(A), (9)(E), (11)(A), 1821(d)(2).

§ 1627.1 Service of process on RTC in its corporate capacity.

Any summons, complaint, subpoena, or other legal process issued against RTC in its corporate capacity shall be duly issued and served upon:

(a) The Assistant General Counsel (Litigation); and

(b) The Secretary, the address for both of whom is: 801 17th Street, NW., Washington, DC 20434-0001; and

(c) Upon such other persons as may be required by the provisions of the Federal Rules of Civil Procedure governing service of process upon an agency of the United States.

§ 1627.2 Service of process on RTC as conservator or receiver.

(a) Any summons, complaint, subpoena, or other legal process issued against RTC in its capacity as conservator or receiver for a savings association shall be duly issued and served upon RTC's Assistant General Counsel in the field office having jurisdiction over the state, Commonwealth, possession, territory, or district in which such savings association has its principal office. The name and principal office of such savings association should be stated on the face of the summons, complaint, subpoena, or other process. In addition, a copy of such process shall be delivered to the Secretary, Resolution Trust Corporation, 801 17th Street NW., Washington, DC 20434-0001 (telephone: 202-416-7572).

'93 JUN -7 P3:40

142 Rebecca Street
Grover Beach, Ca. 93433
June 3, 1993

Secretary of the Commission
Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Docketing and Service Branch

Sirs:

I understand that you are considering an amendment to Part 55 of the NRC regulations.

It would be a bad mistake to weaken the Commission's supervisory control of nuclear plants. Nuclear power plants, like any other business, focus on making a profit for their investors. They are tempted to get careless with public safety and to cut corners. They should not be left to regulate themselves. NRC should continue to conduct tests to reactor operators.

There are many Americans who would prefer not to have nuclear plants at all. If we are going to continue to operate them, we should not weaken the regulations which promote public safety.

Sincerely,

Douglas Craig
Douglas Craig
Ella Craig
Ella Craig



UNIVERSITY OF MASSACHUSETTS
AT AMHERST

School of Nursing
Arnold House, Room 227
Amherst, MA 01003
(413) 545-2703

PROPOSED RULE PR 55
(58FR29366)

Office of Graduate Affairs

NRC

2

'93 JUN 21 P3:36

OFFICE OF THE SECRETARY
NRC

June 8, 1993

Secretary of the Commission
Nuclear Regulatory Commission
Washington, D.C. 20555
Att: Docketing and Service Branch

Dear Secretary of Nuclear Regulatory Commission,

I have been made aware of a proposal to eliminate the requirement of the Nuclear Regulatory Commission administered requalification written exams and operating tests, prior to six year nuclear operating licenses can be renewed. I understand that these exams, under the new proposal, would be given by the nuclear facilities themselves.

This lessening of safety surveillance regulation by an agency external to a nuclear facility is a cause for alarm. The potential for a conflict of interest to occur is great. The existing 10% failure rate is cause for concern already - who will assure the public that incompetent or unfit operators will be identified by a facility with a vested interest in its own employees as well as its relicensing status?

The public has already had to endure the nuclear reactor emissions that are "part of normal operating procedure", which many studies have shown as detrimental to the public health. I believe that further relaxation of regulations regarding operator competence increases the likelihood of nuclear accident.

Haven't we learned yet that it is more economical (not to mention safer to the public health) to prevent nuclear disaster than it is to remediate it?

I would appreciate a reply from you on this matter.

Sincerely,

Mary Anne Bright, RN, CS, EdD
Associate Professor

048
9306300002
18



P.O. Box 300
Seabrook, NH 03874
Telephone (603) 474-9521
Facsimile (603) 474-2987

Ted C. Feigenbaum
Senior Vice President and
Chief Nuclear Officer

'93 JUN 24 P 3:48

NYN-93093

June 18, 1993

Secretary
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Docketing and Service Branch

Reference: Facility Operating License No. NPF-86, Docket No. 50-443

Subject: Comments on Proposed Rule to Amend 10CFR55 (Operators' Licenses)

Gentlemen:

North Atlantic Energy Service Corporation, as the operator of Seabrook Station, is pleased to have this opportunity to comment on the proposed amendment to 10CFR55 (58FR29366). The amendment would 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 renewal.

North Atlantic generally supports this change since it would allow both the NRC and the facility to more effectively allocate its resources. The NRC would be in a better position to direct its efforts toward its main oversight and inspection mission. The facility, likewise, would be freed of the administrative and regulatory burden of assisting the NRC in conducting the examinations and would, therefore, also be better able to concentrate on its main mission of training. This rule change would also be in line with the goals of the NRC's Regulatory Review Group to eliminate requirements that unnecessarily restrict a licensee's flexibility in meeting NRC requirements and ensuring continued safe operations.

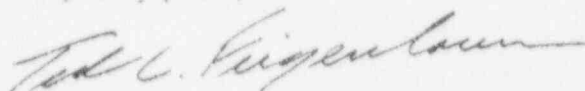
North Atlantic, however, believes that much of these gains would be lost by the requirement to submit all annual operating tests or comprehensive examinations to the NRC at least thirty days prior to conducting the tests or exams. For most licensees, this would require the submittal of six different examinations given to the six operating crews. More importantly, it would create a choke point in the training and examination schedule and enter uncertainty in the process. To make a submission to the NRC thirty days before the exam, the licensee would realistically have to target completion at least sixty days prior. Once submitted, the licensee would naturally be reluctant to make changes since they would require additional submittals and possibly even postponement of the examinations.

Since the requalification program must be reviewed and approved by the Commission, and the Staff will review the examinations on an audit basis, the thirty-day submittal is totally unnecessary. It will do little, if anything, to facilitate the NRC's oversight capability. It will, however, create a resource loading concern for the licensee and require that the training and testing cycle schedule be built around these submissions. Any questions or concerns that the Staff has can, and should be, resolved during the NRC program audit and their normal oversight not just before the culmination of the entire training cycle. At that

point, the time and energies of the training staff should not be distracted by a deadline that has no bearing on what they are trying to accomplish. This aspect of an otherwise beneficial rule change needlessly complicates the training and examination cycle and thereby detracts from it and should be removed.

If you have any questions on this matter or would like to discuss it further, please contact Mr. Anthony M. Callendrello, Licensing Manager, at (603) 474-9521, extension 2751.

Very truly yours,



Ted C. Feigenbaum

TCF:JBH/act

cc: Mr. Thomas T. Martin
Regional Administrator
U. S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia, PA 19406

Mr. Albert W. De Agazio, Sr. Project Manager
Project Directorate I-4
Division of Reactor Projects
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Mr. Noel Dudley
NRC Senior Resident Inspector
P.O. Box 1149
Seabrook, NH 03874

DOCKET NUMBER 38
PROPOSED RULE 55

STATE OF ILLINOIS (58 FR 29366)
DEPARTMENT OF NUCLEAR SAFETY

4

1035 OUTER PARK DRIVE
SPRINGFIELD, ILLINOIS 62708 JUL -2 P2:42

Jim Edgar
Governor

217-785-9900
217-782-6133 (TDD)

Thomas W. Ortziger
Director

June 29, 1993

Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attn: Docketing and Service Branch

The Illinois Department of Nuclear Safety (IDNS) appreciates the opportunity to comment on items pertinent to the nuclear industry, and hereby submits its comments on the proposed rule on Operator's Licenses. IDNS is the lead agency in Illinois for preparing emergency plans for, and in cooperation with the Illinois Emergency Management Agency (IEMA), coordinating emergency responses to accidents at nuclear power plants.

Highly trained operators are extremely important to the defense-in-depth concept of reactor safety. The level of capability of plant licensed operators is as varied as the number of operators; so varied, in fact, that modeling operator performance for PRA assumptions is acknowledged to be a major flaw in PRAs. Having highly trained operators is perhaps even more important than having well maintained equipment, from a safety standpoint. IDNS disagrees with the proposal to eliminate the requirement that nuclear power plant operators take an NRC administered license renewal exam every six years.

As the proposed rule points out, the training performance of utilities improved dramatically after the NRC began conducting operator requalification exams. This improvement was realized primarily because the NRC was actively involved in monitoring the programs. IDNS thinks that the likelihood of this performance improving further, or even maintaining the same level, in the absence of periodic, independent and direct involvement by the NRC, is highly unlikely. The present system provides a strong incentive for licensees to maintain the quality of their operator training program.

IDNS questions why the licensee is involved in the preparation of the six-year exam, rather than the NRC preparing and administering it independently. This would eliminate any "burden to the licensee" concerns. IDNS is also concerned that under the proposed rule, weaknesses in training programs may not become sufficiently evident until operator errors become numerous. Such a situation reduces the margin of safety at nuclear power plants until remedial programs are instituted that return operator knowledge to a satisfactory level.

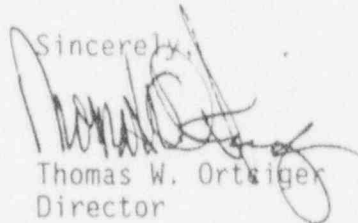
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Secretary, U.S. NRC
Page 2
June 29, 1993

IDNS recommends a combination of routine NRC inspections of "crew examinations" on a plant simulator, and a periodic, independent test administered every six years, as a way of providing to the licensee an incentive to keep their requalification programs excellent. Administering the same exam to all licensed operators at the same time, instead of in small groups more often than every six years, would provide a good quality check of the licensee program. It would, in addition, confirm that the INPO accreditation programs are remaining effective. We agree with the comments of Commissioners Rogers and Curtiss, and believe that this recommendation will satisfy their comments as well.

Finally, as the NRC gravitates toward performance-based inspections, it appears to IDNS that operator requalification programs are a logical candidate. Observing operating crews perform on a simulator, evaluating the results of an independently administered exam, and monitoring operator error root causes in LERs are ready made performance-based criteria. Instituting more frequent inspections of programs that are already established and accredited, seems to be going in the opposite direction from the performance-based inspection philosophy.

Sincerely,

Thomas W. Orsiger
Director

TWO:rlc

DOCKET NUMBER 55
PROPOSED RULE IN 55
(58 FR 29366)

5

James A. Banke
3415 Newark-Marion Road
Marion, New York 14505
July 1, 1993

'93 JUL -9 10:35

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
Docketing and Service Branch

Dear Sirs;

As a Licenced Senior Reactor Operator and tax payer, I respectfully urge you to approve the 10CFR55 rule change to eliminate the Nuclear Regulatory Commission re-examination of each licenced individual every six years.

The exam process has changed greatly over the past eight years, these changes have been very costly to utilities, investors, customers and tax payers. I have yet to see where direct NRC participation in the re-qual testing process has increased reactor saftey or improved the operator knowledge level. Due to the changing exam process, I felt I spent more time learning about the new testing processes every year than on upgrading my knowledge level. Upgrading an operator's knowledge level increases reactor saftey, but learning how to take this year's version of a re-qual exam does not.

In my opinion, better results can be obtained by allowing the exam process to stabilize and thereby allowing "corrective evolution" to take place. The changes to the examination process can be better evaluated and thought out prior to implementation.

Thank You
James A. Banke
James A. Banke
Licence # SOP-10804
Docket # 55-60449

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(58 FR 29366)
NUCLEAR REACTOR LABORATORY
AN INTERDEPARTMENTAL CENTER OF
MASSACHUSETTS INSTITUTE OF TECHNOLOGY



93 JUL 12 P 3:04

6

O. K. HARLING
Director

138 Albany Street, Cambridge, Mass. 02139-4296
Telefax No. (617) 253-7300
Telex No. 92-1473 MIT-CAM
Tel. No. (617) 253-4102

J. A. BERNARD, JR.
Director of Reactor Operations

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
ATTN: Docketing and Service Branch

Subject: Proposed Changes in 10 CFR Part 55 - Operator Licenses

Gentlemen:

The Massachusetts Institute of Technology supports the proposal of the U.S. Nuclear Regulatory Commission (NRC) to amend 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 NRC during the term of the operator's six-year license as a prerequisite for license renewal. However, MIT strongly opposes the other major aspect of the proposed change, namely the requirement that facility licensees submit copies of each annual comprehensive written examination or operating test used for operator requalification for review by the Commission at least 30 days prior to conducting the examination or the test. Instead, MIT urges the NRC to restore its pre-1987 practice under which licensees conducted their own requalification programs subject to periodic review during routine NRC inspections. That approach was effective in terms of training. Specifically, we quote from the register notice:

"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 nearly all facility requalification programs met the Commission's expectations and that the NRC examiners were largely duplicating tasks that were already required of, and routinely performed by, the facility licensees."

Specific reasons for MIT's opposition to the submission of requalification exams and/or operating tests to the NRC are as follows:

- (1) There is no need for this action. No problem exists relative to operator requalification. So why should the community be subject to further regulation?
- (2) The NRC already has available to it the means to inspect requalification programs. Moreover, if a deficiency is found, NRC can act because it has reserved the right to conduct requalification exams 'for cause.' (Note: MIT endorses NRC's right to take such action.)

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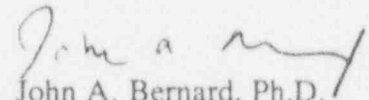
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- (3) The 30-day advance submittal implies that NRC will review and, on occasion, request modifications of facility-proposed exams and/or tests. This will make requalifications a rather cumbersome process.
- (4) In a separate action, NRC has recently proposed to impose license fees of \$65K on non-power reactors. While the outcome of that proposal is unclear at this writing, it is clear that NRC needs to reduce the cost of regulation. This rule will increase costs because manpower will be needed to review each of the written examinations and/or operating tests. The \$65K fee figure is a significant fraction of the annual budget for most non-power reactors and, in some cases, it exceeds the annual budget. Something is seriously wrong when it costs more to regulate a facility than it does to run it. Accordingly, MIT feels that NRC should be looking to reduce, not increase, costs.

In summary, the Massachusetts Institute of Technology urges NRC to adopt a rule which deletes the present requirement for NRC-administered requalification examinations (Section 55.57(b)(2)(iv)) and which authorizes such examinations for cause only.

Thank you for your consideration.

Sincerely,


John A. Bernard, Ph.D.
Director of Reactor Operations
MIT Research Reactor

JAB/CRH

cc: USNRC - Project Manager,
NRR/PDNP
USNRC - Region I - Chief,
Effluents Radiation Protection Section (ERPS)
FRSSB/DRSS

Pre 1987 practice

Licensees conducted their own requalification program subject to periodic review during routine NRC inspections.

Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247
402/636-2000

'93 JUL 12 P3:13

7

July 6, 1993
LIC-93-0171

Mr. Samuel J. Chilk, Secretary
U. S. Nuclear Regulatory Commission
Attention: Docketing and Service Branch
Washington, DC 20555

- References: 1. Docket No. 50-285
- 2. Federal Register, Volume 58, No. 96, Dated Thursday, May 20, 1993

Dear Mr. Chilk:

SUBJECT: Comments on Proposed Rule Change to 10 CFR Part 55, Operators' Licenses

Omaha Public Power District (OPPD), licensee and operator for Fort Calhoun Station, has reviewed the subject proposed rule change. In general, OPPD supports the proposed rule change as presented. The removal of the requirement for the NRC to co-examine each license holder at least once during the six year term of his or her license significantly reduces the burdens on the NRC and facility licensee staffs, allowing better use of resources. An audit/inspection program to monitor the facility requalification programs is an effective method of ensuring that operator license holders continue to display the knowledge and skills necessary to safely operate nuclear power plants.

However, OPPD is concerned about one portion of the proposed change to 10 CFR 55.59(c), which requires each facility licensee to "submit a copy of each comprehensive requalification written examination or annual operating test to the appropriate Regional Administrator at least 30 days prior to conducting such requalification examination or test."

As a typical facility licensee, OPPD conducts annual requalification examinations over a six to eight week period as the operating crews rotate through their scheduled training cycles. To minimize compromise of examinations, different versions are given each week. As a result, the rule as currently written would require OPPD to provide six or more different versions of the annual requalification examinations to the NRC for review, either together in one submittal prior to conducting the first examination, or separately via multiple submittals at least 30 days prior to conduct of each different examination. This would place an administrative burden on the OPPD and NRC staffs that is greater than the current practice. In addition, extended intervals between development and actual conduct of the examinations would be resource-intensive for the OPPD training staff, since individuals involved in developing the examinations are not permitted to train licensed operators until the examinations are conducted to protect the examinations' integrity.

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Mr. Samuel J. Chilk
LIC-93-0171
Page 2

The intent of the proposed rule is to direct NRC resources towards inspecting and overseeing the licensee requalification program. As in NRC inspections of other licensee programs, a selected sampling sized proportionally to the number and significance of problems identified is appropriate. It should also be noted that examination development materials, including the question "banks" from which individual examination questions are selected, are currently provided to the Regional examiners prior to the development of the NRC-administered examinations. Accordingly, it is not necessary or effective, given the limited resources available to licensees and the NRC, for all examinations to be provided in advance to the NRC for review on an audit basis. OPPD suggests that the rule allow facility licensees to submit samples of requalification examinations or development materials as requested by the NRC within a reasonable period of conducting the examinations. Consideration should be given to allowing in some cases submittal of materials subsequent to conducting the examinations. The rule should also reflect schedular requirements if the NRC elects to request materials prior to selected examinations; for example, if materials are needed at least 30 days prior to conducting the examination(s), the NRC must provide the request at least 60 days prior to the examination(s). In these cases, there should be provisions for establishing an examination schedule agreeable to facility licensees and the NRC such that schedular requirements like that noted above can be implemented.

As an alternative, the proposed rule could require submittal of all examination development materials (exam question banks, evaluation scenarios, and job performance measures) 30 days prior to conducting the first examination. This would allow the NRC opportunity to review the content and quality of these materials. Evaluation of the actual written examinations and/or operating tests could occur while the NRC review team is on site.

If you wish to discuss this issue further, please contact Mr. Greg Guliani, Supervisor - Operations Training, at (402) 533-6025.

Sincerely,



W. G. Gates
Vice President

WGG/tcm

c: LeBoeuf, Lamb, Leiby & MacRae
J. L. Milhoan, NRC Regional Administrator, Region IV
R. P. Mullikin, NRC Senior Resident Inspector
S. D. Bloom, NRC Project Manager



CONSTITUTION NUMBER 79
PROPOSED RULE 55
(58 FR 29366)

8

'93 JUL 13 12:25

STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE
120 STATE STREET
MONTPELIER, VT 05620-2601
TEL.: (802) 828-2811
FAX: (802) 828-2342
TTY/TDD (VT): 1-800-734-8390

*copy to
the rule change*

July 9, 1993

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attn: Docketing and Service Branch

Subject: Comments on Proposed Rule, Operators' Licenses,
(58 FR 29366, May 20, 1993)

The following are comments on the proposed rule change for Operators' Licenses referenced above. The Federal Register notice provides the opportunity for comment and we ask that the following be considered. We urge that the proposed change be reconsidered, at least for the Vermont Yankee Nuclear Plant. Were it not for the regulation presently in place, we believe the health and safety of the people of Vermont could have been effected adversely.

The proposed change would eliminate the requirement for the Nuclear Regulatory Commission (NRC) to conduct and supervise individual operator requalification examinations during the term of an operator's 6-year license. Instead, requalification examinations would be the sole responsibility of the facility licensee.

In February, 1991, the Vermont Yankee Nuclear Plant was inspected in accordance with the existing regulation and found to have a failed licenced operator requalification (LOR) program. See Inspection Report 50-271/91-02 (OL) and Confirmatory Action Letter I-91-007. As outlined in the inspection report, the failed LOR program was a result of NRC grading of operator crew requalification performance; if licensee grading had been used, the LOR program would not have been considered a failed program. Thus, it was specifically because the NRC conducted individual requalification examinations that Vermont Yankee's failed LOR program was detected. Without this NRC responsibility, its unclear whether the resulting beneficial corrective actions would have occurred (facility NRC inspections had not identified the failed LOR program).

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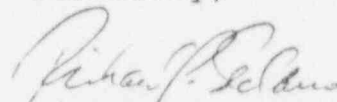
Part of the basis for the proposed rule is not accurate, at least for Vermont Yankee. In the Background for the proposed rule the following is stated (58 FR 29366):

"Pilot requalification examinations were conducted in August through December of 1991 ... 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 total agreement...The performance of the facilities' evaluators during the pilot examinations further confirmed that the facility licensees can find deficiencies, and remediate and retest their licensed operators' appropriately."

While the pilot requalification examinations found agreement between NRC and facility examiners, just six months earlier at Vermont Yankee, lack of agreement in the same area was clearly documented. Therefore, this background statement should be reconsidered, at least for Vermont Yankee.

We consider having a failed LOR program to be a serious occurrence, potentially affecting the people of our state. With the proposed rule change in effect, we do not have confidence that Vermont Yankee's failed LOR program would have been detected and corrected. Therefore, we urge that you reconsider and rescind the proposed change.

Sincerely,



Richard P. Sedano
Commissioner
State Liaison Officer



UNIVERSITY OF MISSOURI-ROLLA
Missouri's Technological University

DOCKET NUMBER
PROPOSED RULE 55
(58 FR 29366)

Nuclear Reactor Facility

Nuclear Reactor
Rolla, MO 65401-0249
Telephone (314) 341-4236

'93 JUL 15 P4:16

July 14, 1993

9

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Docketing and Services Branch

Subject: Proposed Changes to 10CFR Part 55

Dear Secretary:

We have reviewed the May 20, 1993 Federal Register notice proposing changes to 10CFR Part 55, "Operator's Licenses". We offer the following comments:

1. We support the proposed change to delete the requirement that each licensed operator pass a comprehensive requalification exam administered by NRC as a prerequisite of license renewal. We feel that this requirement is needless, costly, and burdensome - especially to non-profit university reactor facilities such as ours. We recently hosted an NRC administered requalification exam at our facility (May, 1993). Our candidate passed the exam scoring perfectly on the operators portion and missing only one question on the written exam. In our case, the extra work required for the NRC administration of the exam was completely unnecessary and did not enhance our existing training program. The NRC administered requal test was needlessly burdensome and costly for our facility as well as for NRC.
2. We strongly oppose the proposed change that would require university reactors to submit copies of each annual requal test to NRC 30 days prior to conducting the exam. This requirement is unnecessary and wasteful of resources. We are regularly inspected by NRC on our requal program. Our examination records have always been open for inspection. Therefore, NRC access to these records continues as always. There really is no advantage, either for NRC or for the quality of our program, from the additional burdensome requirement to send in our exams 30 days prior to administering them.

We find our requal training program is completely adequate. Further, NRC has found our program to be completely adequate as documented by our recent NRC administered requal exam and

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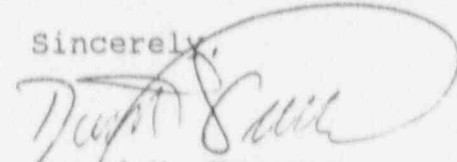
as documented by our NRC inspections in this area. Thus, there is no need to "fix" our existing program with needless and burdensome regulatory requirements.

We already find it difficult to prepare and schedule our annual requalification exam. Almost all of our operators are either students or faculty. This leads to widely varying schedules making it difficult to get everyone together at one time. The additional burden of having to submit our exams to NRC 30 days in advance would make our scheduling even harder, and make it more difficult to meet our annual requirements in a timely fashion. Typically, our written tests are prepared only days in advance of the actual administration.

3. We disagree with the view that NRC should be allowed to freely, without cause or prior Commission approval, administer "discretionary" exams. As stated earlier our program works well and is not in need of "repair". The idea of NRC administering exams on a purely discretionary basis without due "cause" or Commission approval infringes on our rights as licensees, to minimum regulation. Additionally, who will pay the cost for these discretionary visits? With the recent move by NRC to eliminate fee exemptions for university reactors, it appears we would have to pay. This certainly would be intolerable and unnecessary. We agree NRC should have the authority to administer requal exams with just cause - such as significant deficiencies in a facility's requal training (as identified in routine NRC inspections). Otherwise, there certainly needs to be checks and balances on the licensing branch to prevent undue administration of requal exams with questionable benefits and definite high cost.

To date there has been 85 NRC administered requal exams given to the research reactor community. Of these, only 3 candidates have failed. That is a pass rate of 96%. These numbers show that the university reactor community is doing an exceptional job with their requal training programs. This is to be expected, after all, we are in the business of education and training! Our programs work. Please don't burden us with needless regulation and paperwork.

Sincerely,



David W. Freeman
UMR Reactor Manager

DWF/lp

copy to: Dr. Albert E. Bolon, UMR Reactor Director

DOCKET NUMBER
PROPOSED RULE 39 55
(58 FR 29366)

10



Nuclear Reactor Facility
Nuclear Engineering Sciences Department

'93 JUL 15 8:14

202 Nuclear Science Center
Gainesville, FL 32611-2055
(904) 392-1429
Fax 392-3380

July 14, 1993

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
ATTN: Docketing and Service Branch

Subject: Proposed Changes in 10 CFR Part 55-Operator Licenses

Gentle: n:

The University of Florida Training Reactor facility agrees with the Nuclear Regulatory Commission's (NRC) proposal to delete the requirement that each licensed operator at nonpower reactors pass comprehensive requalification written and operating tests conducted by the NRC during the term of an operator's 6-year license as a prerequisite for license renewal. However, we oppose the other major portion of the proposed change requiring that facility licensees submit copies of each annual comprehensive written examination or operator's test used for operator requalification for review by the Commission at least 30 days prior to conducting the examination or test.

We agree it is important to maintain staff competence in relation to NPR operator licensing and administration of examinations. However, we believe this is best accomplished by maintaining specialized qualified personnel who are familiar with NPR facilities and their operation as well as through specialized training and administration of initial examinations, perhaps a part of or a liaison with the NPR Directorate. Such initial examinations occur frequently enough to maintain proficiency for those designated to give such examinations a small number of personnel in any case.

We have always maintained that the requirement of NRC-administered examinations is both unnecessary and wasteful of resources, particularly when overall safety is considered. As the Federal Register notice indicates, NRC resources can be better directed towards inspecting and overseeing facility requalification programs rather than continuing to conduct individual operator requalification examinations. As the Commission indicates in the Federal Register notice, the Commission has found most programs are functioning well and NRC examiners are largely duplicating tasks that are already required of, and routinely performed by, the facility licensees. Therefore, we urge NRC to return to the original policy in place prior to 1987 and also specifically not require examinations and tests to be submitted 30 days in advance for NRC

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10:00

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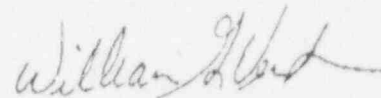
review. Several reasons for our opposition to this aspect of the rule are as follows:

1. We see no need for the submission of written examinations and/or operating tests to NRC for review. The record, as evaluated by NRC, shows most requalification programs have "met the Commission's expectations." Moreover, the NRC already has available to it the means to inspect requalification programs. Certainly we acknowledge NRC's right to conduct examinations for cause at any time and support such actions when justified.
2. The submission of exams and/or tests is not very practical for our facility. As with many NPR facilities, we give a series of written and operational tests and exams during the two-year cycle. It would be impractical and a waste of scarce resources for us to submit a number of examinations and other records on a continuing basis.
3. The 30-day advance submittal implies that NRC will review, and on occasion, request modifications of facility-proposed exams and/or tests. This will make requalifications a rather cumbersome process especially at facilities such as ours where a number of operators are part-time employees.
4. Finally, in recent years the regulatory burden on our facility has increased substantially, to the point where a major portion of our resources is devoted to meeting regulatory requirements that in some cases are clearly unnecessary and also inconsistent with the mandate of minimum regulations to assure the health and safety of the public. There is no doubt that the requalification examination rule falls in this category, especially the NRC always retains the option to administer tests and examinations for cause.

We urge NRC to adopt a rule which deletes the present requirement for NRC-administered requalification examinations (Section 55.57(b)(2)(iv)) and which authorizes such examinations for cause only.

Thank you for your consideration.

Sincerely,



William G. Vernetson
Director of Nuclear Facilities

WGV/cb

cc: D. Simpkins, Reactor Manager
Reactor Safety Review Subcommittee

July 14, 1993

'93 JUL 15 P 4:18

11

Secretary
U.S. Nuclear Regulatory Commission
Washington DC 20555

Attention: Docketing and Service Branch

Subject: Amendment of 10CFR55 to delete NRC conducted examination as prerequisite for operator license renewal.

Reference: 58 Federal Register 29466 (May 20, 1993)

Gentlemen:

The referenced federal register notice published the proposed rule amending 10CFR55 to delete the requirement of NRC conducted written and operating examinations as a prerequisite for license renewal. Comments on the proposed rule have been solicited, including the applicability of the proposed amendments to research and test reactor facilities as well as alternatives to the proposed rulemaking.

General Atomics (GA), which operates two research and test reactors, strongly supports the part of the proposed rule that would delete the requirement that each licensed operator be subjected to a comprehensive written and operational test conducted by the NRC during the six-year term of the license. However, GA strongly opposes the second major component of the proposed rule, which would significantly increase the regulatory burden on facility licensees, namely the requirement that facility licensees submit copies of each and every requalification examination - written and operating - for review to the Commission at least 30 days prior to conducting such examinations. This would be an especially unnecessary hardship on the smaller non-power reactors operating with small staffs and under tight budget constraints.

In opposing the requirement, we submit the following:

- For GA and similar non-power reactor (NPR) facilities, the net effect of requiring facilities to submit all examinations to NRC staff 30 days in advance for review
i) only be counterproductive, depleting limited resources without a clear benefit
ii) operator performance or operational safety. Equal benefits with no increase
iii) regulatory burden can be realized by using the mechanism of on-site inspections of requalification programs, and the authority to administer exams for cause, that is already available to the NRC through the regulations.

Ford Nuclear Reactor
Phoenix Memorial Laboratory
2301 Bonisteel Boulevard
Ann Arbor, Michigan 48109-2100
(313) 764-8220

12

'93 JUL 16 P4:40

July 9, 1993

Docket 50-2
License R-28

Secretary
U.S. Nuclear Regulatory Commission
Attn: Docketing and Service Branch
Washington, D.C. 20555

*Agrees with
the proposed
changes*

Subject: 10 CFR 55 Operator Regualification Licensing Examinations

Gentlemen:

These comments are in response to the proposed changes to 10 CFR 55 that would eliminate NRC administered requalification examinations for licensed reactor operators at research reactors.

The Ford Nuclear Reactor has undergone two NRC administered requalification examinations involving five licensed senior reactor operators. In addition, the manager of the Ford Nuclear Reactor has prepared and administered a requalification examination for the operators of the Dow Chemical Company TRIGA Reactor.

We support elimination of the NRC administered examination. We feel that the biennial, facility prepared and administered examinations which are part of the facility requalification program are thorough and comprehensive. The NRC administered requalification experience at the Ford Nuclear Reactor and the Dow TRIGA Reactor has shown that licensed operators maintain a high level of both theoretical and practical knowledge.

We also feel that submittal of our biennial written examinations for review by the NRC is an unnecessary and potentially expensive process, since a fee will probably be charged for the review. As in the past, the requalification program review can be part of routine inspections or initial operator license examinations which we have on an almost annual basis. Any weaknesses can be discussed and rectified at that time.

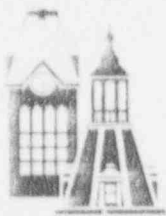
Sincerely,

Reed R. Burn

Reed R. Burn
Manager

9307220109

655



WORCESTER
POLYTECHNIC
INSTITUTE

55
(55 FR 29366)

13

Nuclear Reactor Facility
100 Institute Road
Worcester, MA 01609-2280
(508) 831-5276
(508) 831-5236
FAX (508) 831-5680

'93 JUL 16 P4:44

July 13, 1993

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
Attn: Documentation and Service Branch

Re: 10 CFR Part 55 Operator Licenses Proposed Rule
FR Vol. 58, No. 96 Thursday, May 20, 1993

Dear Secretary:

Similar to the many smaller university based non-power reactors, the teaching and training reactor at Worcester Polytechnic Institute has historically had an administrative and licensed operating full time staff of one and a licensed operating part-time staff varying from three to five individuals. In addition, one full time faculty member of the Nuclear Engineering Program not employed at the reactor has also maintained an operating license. With such a small staff and only one individual having ever required the six year NRC administered comprehensive requalification examination, we support and encourage the proposed change to delete the requirement that each licensed operator pass the aforementioned examination every six years.

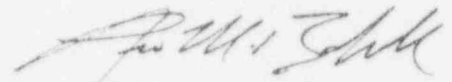
However, the proposal requiring facility licensees to submit to NRC copies of each annual operating test or comprehensive written examination used in requalification 30 days prior to conducting the examinations adds a further regulatory burden to the small staffs of non-power reactors which already devote significant, and in the case of WPI, close to a majority of staff time meeting regulatory compliance. This is obviously antithetic to Section 104 C of the Atomic Energy Act of 1954 which directs the Commission "...to impose only such minimum amount of regulation of the licensee ... to protect the health and safety of the public..."

Given the scope of most university based non-power reactor programs, "the health and safety of the public" in relation to operator requalification was being met prior to the 1987 amendment to 10 CFR Part 55 by having requalification examinations reviewed as part of routine and non-routine inspections of non-power reactor

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licensees' operator requalification programs. To reduce the regulatory burden of non-power reactor licensees and reduce the burden and subsequent costs to the NRC, a return to the successful previous system of licensee written, administered, and recorded requalification examinations would be just as effective while being much more efficient.

Sincerely,



Leo M. Bobek,
Director

Southern Nuclear Operating Company
Post Office Box 1295
Birmingham, Alabama 35201
Telephone (205) 868-5086

55
(58 FR 29366)



14

J. D. Woodard
Executive Vice President

Southern Nuclear Operating Company
the southern electric system

'93 JUL 19 25

July 16, 1993

Docket Nos. 50-348
50-364

Mr. Samuel J. Chilk
Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, DC 20555

ATTENTION: Docketing and Service Branch

Comments on Proposed Rule
"Operators' Licenses"
(58 Federal Register 29366 of May 20, 1993)

Dear Mr. Chilk:

Southern Nuclear Operating Company has reviewed the proposed rule "Operators' Licenses," published in the Federal Register on May 20, 1993. In accordance with the request for comments, Southern Nuclear Operating Company is in total agreement with the NUMARC comments which are to be provided to the NRC.

Should you have any questions, please advise.

Respectfully submitted,

J. D. Woodard

JDW/JDK

060

9307220099

cc: Southern Nuclear Operating Company
R. D. Hill, Plant Manager

U. S. Nuclear Regulatory Commission, Washington, D. C.
T. A. Reed, Licensing Project Manager, NRR

U. S. Nuclear Regulatory Commission, Region II
S. D. Ebnetter, Regional Administrator
G. F. Maxwell, Senior Resident Inspector

155 FR 29366

15

SCHOOL OF
ENGINEERING & APPLIED SCIENCE

July 15, 1993

'93 JUL 19 P3:54

NUCLEAR REACTOR FACILITY
Department of Mechanical,
Aerospace & Nuclear Engineering
University of Virginia
Charlottesville, VA 22903-2442
804-982-5440 FAX: 804-982-5473

Secretary
Attention: Docketing and Service Branch
U.S. Nuclear Regulatory Commission
Washington, DC
20555

Subject: Proposed rule, Operators' Licenses, 10 CFR Part 55
Federal Register, Vol. 58, No. 96
Thursday, May 20, 1993

Dear Sirs:

I write as a representative of a university operated research reactor to express opinions in favor of the proposed rule. The new rulemaking would delete the requirement that each licensed operator pass a comprehensive requalification written examination and operating test conducted by the NRC during the term of the operator's 6-year license as a prerequisite for license renewal. Instead, a new requirement would exist for facility licensees to submit copies of each annual operating test or comprehensive written examination for Commission review at least 30 days prior to the examination or the test date.

Our facility participated in the NRC's retesting program. All three of the operators tested passed the exam. Similarly, operators tested at other research reactors passed their tests. These results indicate that research reactor operators retain their license-required qualifications based on existing facility retraining programs and licensee self-administered annual re-examinations.

Weighing the cost of NRC administered re-examinations (in addition to that administered by the facility) against alternatives, it is our opinion that the present inflexible 6-year re-examination schedule is not warranted. The NRC should be able to assess the effectiveness of each facility's training program during NRC operator license examinations administered to proposed new operators, as well as in the course of requalification program inspections and from the compliance history of individual facilities and operators.

The burden on research reactor licensees was unnecessarily increased by the current practice of NRC re-examinations. The licensee has to devote considerable personnel time to assist the NRC in preparing, scheduling and administering the exams. Research reactor staffs are small (6 operators at our facility, even fewer at many others), so the effort by both the NRC and the licensee is great in relation to the number of people re-tested (sometimes, as few as one). Thus, the licensee effort would be better directed

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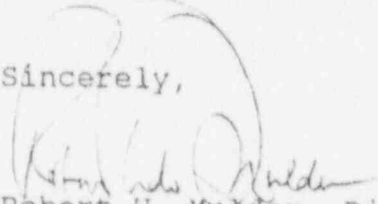
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(Proposed Operator Examination Rule, cont., page 2)

toward improving the requalification program itself. The proposed new requirement for the licensee to submit the facility's requalification test or exam to prior NRC review is not burdensome, by comparison.

Under the proposed rule, the NRC will be able to re-test operators for cause. This provision provides the NRC with sufficient discretion to determine on a case by case basis where attention should be focused. Casual discussion with our operators indicates that they understand and agree with the NRC's objectives and are not opposed to the concept of re-examination for cause.

Sincerely,



Robert U. Mulder, Director
U. Virginia Reactor Facility



NIST

UNITED STATES DEPARTMENT OF COMMERCE
National Institute of Standards and Technology

Gaithersburg, Maryland 20899

DOCKET NUMBER 1755

PROPOSED RULE (58 FR 29366)

'93 JUL 19 P3:57

16

July 14, 1993

Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Attention: Docketing and Service Branch

Subject: Proposed Changes to 10 CFR Part 55

The National Institute of Standards and Technology is opposed to the proposed change to 10 CFR-55 especially its application to Test and Research Reactors (NPR's). The existing rule should simply be deleted without imposing other requirements. There has never been any demonstrated need or justification for the blanket application to NPR's of the 1987 rule change that required NRC administered requalification examinations. In fact the regulatory analysis clearly stated that the rule would not apply to NPR's.

The experience at NIST and at other NPR's to date is that the rule imposed an undue burden on the limited resources of NPR's without clear benefits. The proposed current change of requiring facilities to submit all examinations to the NRC at least 30 days in advance and allowing the NRC staff to review, modify, oversee or even administer these examinations is not only counterproductive but will further deplete limited resources, again without clear benefits. These resources could be put to better use in improving facility and operator performance.

The net effect of the proposed change on NIST is not less work by management and staff but more work. The process that used to be carried out once every six years may have to be carried out every other year or every year or even several times a year. For example, NIST and many other NPR facilities perform operation evaluation throughout the year. This allows observations of the actual, rather than simulated, performance of such tasks as startup, shutdown, refueling, surveillance tests and emergency exercises, as they occur or come due. The administration of this type of operations evaluation is far more comprehensive, and relevant than a single examination and would detect weaknesses that otherwise would go unnoticed. NIST is absolutely committed to maintaining the highest level of competence among its operators. NIST believes that both the existing rule and the proposed rule change will not realistically contribute to achieving this objective.

NIST believes it is important to maintain NRC staff competence in relation to NPR operator licensing. This can be best accomplished by maintaining a nucleus of specialized qualified personnel either as part of or in conjunction with the Non-Power Reactor Directorate and through specialized training and administration of initial examinations, which occur rather frequently. NIST believes that both the

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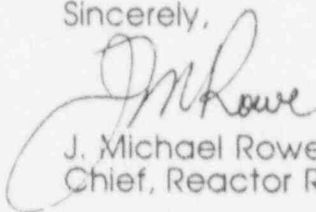
existing rule and the proposed change are unnecessary and wasteful of both NRC and licensee resources. Accordingly NIST proposes the following alternatives in order of preference:

1. Delete the present requirement for NRC administered requalification examinations (Section 55.57 Paragraph (b)(2)(iv)) and conduct such examinations for cause only. This is clearly the logical and most productive approach.
2. Delete the present requirement for NRC administered requalification examinations and conduct requalification examinations prior to license renewal on a case by case basis depending on facility and operator performance as well as for cause.
3. Delete the present requirement for NRC administered requalification examinations. Add the requirement that facility licensees submit copies of their tests in advance to the NRC once every six years prior to license renewal.
4. As a minimum, keep the present requirement for NRC administered requalification examinations and add the proposed change as an alternate choice in lieu thereof. Facility licensees then would have the option of choosing either the NRC administered examinations or submitting copies of their tests in advance to the NRC.

NIST considers the last three suggestions listed undesirable; they are included only because the existing rule and the proposed change are even more undesirable.

In summary, NIST strongly believes that the proposed change will do more harm and little good and should not be adopted unless modified as indicated above.

Sincerely,



J. Michael Rowe
Chief, Reactor Radiation Division

PROPOSED RULE 10-55
(58 FR 29366)

NRC

Consolidated Edison Company of New York, Inc.
Indian Point Station
Broadway & Bleakiey Avenue
Buchanan, NY 10511
Telephone (914) 737-8116

July 19, 1993

'93 JUL 19 P4:02

Re: Indian Point Unit No. 2
Docket No. 50-247

17

Mr. Samuel J. Chilk
Secretary
US Nuclear Regulatory Commission
Washington, D.C. 20555
ATTENTION: Docketing and Service Branch

SUBJECT: Notice of Proposed Rulemaking - Operators'
Licenses: 10 CFR Part 55, 58 FR 29366 (May 20,
1993)

Consolidated Edison Co. of New York Inc., as owner and operator of Indian Point Unit No. 2, welcomes this opportunity to provide comments on the proposed amendments to 10 CFR Part 55, Operators' Licenses. The proposed rule change would delete the requirement that the NRC administer a comprehensive requalification written examination and an operating test for each licensed operator during the term of the operator's 6-year license as a prerequisite for license renewal.

Consolidated Edison fully supports the Commission's proposal to terminate the NRC administered examination as a condition for license renewal under 10 CFR Part 55. Although 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 administer requalification exams that meet the requirements of 10 CFR 55.59 (A) (2) (i&ii).

We also agree that the proposed rule change will serve dual purposes: reducing the regulatory burden on licensees and improving operational safety at nuclear facilities. For example, increased operating crew continuity, afforded by this rule change, will improve operational safety. In the past, to accommodate the NRC administered requalification exam, operating crews were reconfigured by putting together individuals whose six years were about to end. This practice, performed only to facilitate the conduct of requalification exams, was not in the best interest of crew coordination and teamwork.

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One issue of concern with the proposed rule change is the requirement that licensees submit exams to the NRC 30 days prior to their administration. This new requirement would result in an additional administrative burden on the utilities, both in developing the exams within the required lead time as well as sending multiple weeks worth of exams to the NRC. Furthermore, this approach raises the following questions:

- o Does the NRC retain approval authority over utility examinations?
- o Can the NRC change utility examinations?
- o Can the utility change examinations after submittal?

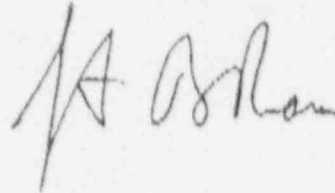
In addition, an NRC staff audit of the examinations will require reference material consisting of as many as 30 to 40 notebooks of lesson plans, procedures, Technical Specifications, etc. Utilities would have to provide the NRC staff with updates of this material for each exam. This would place a large burden on the utilities, as well as the NRC staff, and therefore seems inconsistent with the intent of the proposed rule change.

Alternatives to this approach would be:

- o Utilities submit their completed exam banks to the NRC every two years. This would allow the NRC to evaluate the exam banks for adequacy.
- o Utilities submit one exam to the NRC for review at the end of each requalification program as a sample. The sample would demonstrate the depth and breadth that all requalification exams exhibit. This approach is no different than the present, where the NRC is involved only in reviewing the exam they administer. Presently, this is only required every two years.
- o Utilities submit exams to the NRC after they have been administered. This would provide the NRC with the opportunity to audit the material for conformance to 10 CFR 55.59 (a) (2) (i&ii).

Any of these approaches would maintain the existing high quality of operator training programs while significantly reducing the burden on the utilities and the NRC staff. In conjunction with the NRC's onsite inspections, they would accomplish the important items targeted by the rule change. However, the procedural requirements set forth in the proposed notice of rulemaking would substantially burden licensees and remove many of the efficiencies which form the primary incentive for the rule change, without providing commensurate further assurance that requalification exams are being administered appropriately.

Very truly yours,



cc: Document Control Desk
US Nuclear Regulatory Commission
Mail Station P1-137
Washington, DC 20555

Mr. Thomas T. Martin
Regional Administrator - Region I
US Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Mr. Francis J. Williams, Jr., Project Manager
Project Directorate I-1
Division of Reactor Projects I/II
US Nuclear Regulatory Commission
Mail Stop 14B-2
Washington, DC 20555

Senior Resident Inspector
US Nuclear Regulatory Commission
PO Box 38
Buchanan, NY 10511

55
(58 FR 29366)

18

'93 JUL 19 P4:03

July 15, 1993

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Docketing and Service Branch

Subject: Proposed Changes in NRC Regulations Contained in 10 CFR Part 55, Operators' Licenses

Dear Sir:

Oregon State University would like to submit the following comments regarding the U.S. Nuclear Regulation Commission's (NRC) proposal to change certain regulatory requirements contained in 10 CFR 55 which deal with operators' licenses. In particular, we would first like to express our strong support for the Commission's proposal to amend Part 55 regulations to delete the requirement that, as a prerequisite for license renewal, each licensed operator at power, test, and research reactors must pass a comprehensive written requalification examination and an operating test administered by the NRC during the term of the operator's six year license.

As a second item, we would like to point out that we are having difficulty with the Commission's proposed requirement involving submission of copies to the NRC of the annual operating test or comprehensive written examinations used for operator requalification. More specifically, we find the current wording and the intent of the requirement to be confusing, and we are hard pressed to identify the benefits (to the NRC or to the licensee) which would accompany the implementation of this new requirement. Therefore, we would like to go on record as opposing this requirement for the following reasons:

- 1) The requirement to submit copies of each annual operating test or comprehensive written examination used for operator requalification for NRC review at least 30 days prior to giving the test or examination does not take into consideration the fact that NRC-approved requalification plans may not require examination frequencies of this type. For example, the Oregon State TRIGA Reactor (OSTR) requalification plan does not require a single comprehensive written examination. Instead, our requalification training is conducted over a two-year cycle and includes four specific written examinations (on specific topics) spread over a two or three month period each year. Under the proposed rule it would seem that each year we would be required to submit each of the four examinations 30 days before they are



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July 15, 1993

given, which would clearly complicate and almost certainly delay an otherwise manageable requalification process. Furthermore, from the proposed rule it is unclear exactly what magnitude of time delays might be encountered due to NRC reviews or audits of the examinations or due to subsequent NRC suggested or required changes to the exams. However, I feel that it is fair to say that most NRC licensees have not regularly experienced a 30-day turnaround on anything but the most urgent of licensing matters. This situation is understandable, but would significantly interfere with operator requalification schedules if allowed to become a part of this Commission-required program.

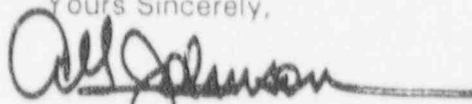
2) As an alternative to the requirement that written requalification examinations be submitted, the proposed rule appears to offer the option of submitting only a copy of the annual operating test, which by any measure is much briefer, and due to its objectives is quite a bit different in format than the individual written examinations which focus on specific technical and/or administrative topics. At the OSTR, the annual operating test consists of a series of reactor manipulations required in the NRC's regulations and does not change significantly from year to year. This apparent option is confusing to us!

3) As a result of the NRC's experiences in administering requalification examinations, including the 11 research and test reactor facilities examined, it appears that existing licensee requalification programs are meeting the Commission's objectives. Furthermore, the Commission has itself acknowledged that it could more effectively allocate its resources by performing on-site inspections of facility requalification programs (including the requalification examinations) which is exactly what the nonpower reactor community was accustomed to prior to the 1987 revisions to 10 CFR 55. In view of the experience the Commission has already gained since 1987, it does not seem to us that there is anything more to be gained by submitting to the NRC copies of written examinations and/or operating tests 30 days before they are administered by the licensee. However, there is potentially much to be lost due to requalification delays and through added administrative costs to the Commission and to the licensees.

Therefore, in closing, we would like to state our support for the Commission's proposal to adopt a rule which deletes the present requirement for NRC administered requalification examinations, and at the same time we would like to request that the Commission eliminate their proposal relating to the submission of written requalification examinations and operating tests.

We appreciate the opportunity to submit these comments and thank you for your consideration of our viewpoint.

Yours Sincerely,



A. G. Johnson
Director

dd\agj\nrc\operlic.let

cc: A. Adams, Project Manager, Non-Power Reactors
T. V. Anderson, Reactor Supervisor
S. E. Binney, Chairman, ROC
B. Dodd, Reactor Administrator
A. D. Hall, Senior Reactor Operator
J. Higginbotham, Sr. Health Physicist
D. Stewart-Smith, Oregon Dept. of Energy
William G. Vernetson, Chairman, TRTR



155 FR 24366
155
North Carolina State University

Nuclear Reactor Program
Department of Nuclear Engineering

'93 JUL 19 P 4:04

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Raleigh, NC 27695-7909
(919) 515-2321
FAX (919) 515-5115

14 Jul 93

Secretary
U. S. Nuclear Regulatory Commission
Washington, DC 20555
ATTN: Docketing and Service Branch

Subject: Proposed Changes in 10 CFR 55 - Operator Licenses

Dear Sir:

Having been a reactor operator and a senior operator during the past twenty years at a university research reactor, I have been involved with all aspects of licensing, examinations, and renewals and I am fully aware of the necessity to maintain the highest level of operator competence. I support the proposal that the U. S. Nuclear Regulatory Commission (NRC) amend 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 six-year license as a prerequisite for license renewal. I also request that the NRC not require the licensee to submit copies of the annual comprehensive written exam or operating test used for operator requalification to the Commission thirty days in advance of the test date. This would duplicate for the most part what compliance inspections have been doing successfully for many years. Very likely each facility will have more than one inspection over a given six-year cycle. Any omissions or inadequacies in a requalification program that would compromise an operator's competence would be noted and corrected prior to license renewal. I believe the time and money required for the Commission to perform an essentially duplicate function cannot be justified.

Therefore, I urge the NRC to adopt a rule which would delete the present requirement for NRC administered requalification examinations (10 CFR 55.57(b)(2)(iv)).

Thank you for your consideration in this matter.

Sincerely,

Stephen J. Bilyj

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IP.



PROFESSIONAL
REACTOR
OPERATOR
SOCIETY

DOCKET NUMBER
PROPOSED RULE PR 55
(58 FR 29366)
SUBMITTED
USNRC

July 17, 1993

'93 JUL 19 P4:17

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Mr. Samuel J. Chilk, Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Attention: Docketing and Service Branch

Subject: Proposed rule - Operator Licensing 59 FR 29368

Dear Mr. Chilk,

The professional Reactor Operator Society supports the proposed rule change to remove the requirement of the Nuclear Regulatory Commission's direct evaluation of each Operator as a condition of Reactor Operator or Senior Reactor Operator License renewal. Our Society believes the NRC inspections of Reactor Operator and Senior Reactor Operator training programs will ensure the required high level of Operator quality is maintained.

The licensed individual Operator has in recent years become increasingly aware of the need for their input into the training they receive, and have for the most part taken a very active role in designing, implementing, and evaluating that training. Many stations have adopted some form of peer to peer evaluation and feedback, a process which has greatly enhanced both team and individual performance. Industry events and plant specific items are continually brought to participative classrooms. A high level of utility management participation and oversight is evident to further stress the importance of the training and maintenance of abilities to the individual Operator. The NRC's periodic observation of the aforementioned factors, and the ability to assess the quality of the academic programs, should provide the assurance that the public safety will be maintained.

In supporting the overall change, we also request the NRC's examination review process be further refined. It is our belief that with the NRC's monitoring of a station's training programs, an entire year (annual training cycle?) should be considered, rather than placing undue reliance on a single annual examination. Because of mandated last minute changes to an annual examination, the stress level of the training staff can be elevated to the point of reflecting badly on the examination process itself. From our point of view, most requested changes are without basis, perhaps even whimsical. Areas of dispute should instead be resolved for inclusion in the training cycle following the examination, thereby allowing proper preparation of the material.

Thank you for this opportunity to comment. I make this submittal on behalf of the Society's 853 members.

Sincerely,

Carl M. Gray, President

^{Older} P.O. Box 181, Mishicot, WI 54228-0181 (414) 755-2725

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Georgia Power Company
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Georgia Power

an American electric company

C. K. McCoy
Vice President, Nuclear
Nuclear Projects

'93 JUL 19 P 4:18

July 16, 1993

Docket Nos. 50-321 50-424
50-366 50-425

HL-3396
LCV-0077

Mr. Samuel J. Chilk
Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, DC 20555

ATTENTION: Docketing and Service Branch

Comments on Proposed Rule
"Operators' Licenses"
(58 Federal Register 29366 of May 20, 1993)

Dear Mr. Chilk:

Georgia Power Company has reviewed the proposed rule "Operators' Licenses," published in the Federal Register on May 20, 1993. In accordance with the request for comments, Georgia Power Company is in total agreement with the NUMARC comments which are to be provided to the NRC.

Should you have any questions, please advise.

Respectfully submitted,

C. K. McCoy
C. K. McCoy

CKM/JDK

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4 pp.

U. S. Nuclear Regulatory Commission

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cc: Georgia Power Company

J. T. Beckham, Vice President, Plant Hatch

J. B. Beasley, General Manager - Vogtle Electric Generating Plant

H. L. Sumner, Jr., General Manager - Plant Hatch

U. S. Nuclear Regulatory Commission, Washington, DC

K. N. Jabbour, Licensing Project Manager - Hatch

D. S. Hood, Licensing Project Manager - Vogtle

U. S. Nuclear Regulatory Commission, Region II

S. D. Ebnetter, Regional Administrator

L. D. Wert, Senior Resident Inspector - Hatch

B. R. Bonser, Senior Resident Inspector - Vogtle

HL-3396
LCV-0077



ENERGY

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155 FR 29366

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July 6, 1993

Mr. Samuel J. Chilk
Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Docketing and Service Branch

Subject: Comments Regarding Proposed Rule Change - 10 CFR Part 55,
Operators' Licenses

CNRO - 93/00024

Dear Mr. Chilk:

Entergy Operations, Inc. has reviewed the proposed rule change published in the Federal Register on May 20, 1993 (58 FR 29366). This proposed change to 10 CFR Part 55 would primarily change the requirements for licensed operator requalification examinations. We wish to submit the following on behalf of Arkansas Nuclear One Units 1 & 2, Grand Gulf Nuclear Station, and Waterford 3 Steam Electric Station.

The proposed changes would eliminate NRC requalification examinations which are redundant to the requalification examinations already required to be conducted by facility licensees. This is a very positive step in reducing unnecessary regulatory requirements, especially those which, as discussed in the Federal Register Notice, place a burden upon both licensee and NRC resources. Therefore, we endorse the proposed change to delete 10 CFR 55.57(b)(iv), as well as the clarification achieved by the proposed new 10 CFR 55.2(c).

In regard to the proposed new requirement in 10 CFR 55.59(c), we respectfully request that the Commission consider an alternative approach which would achieve the same result with a reduced burden upon facility licensees. The proposed 10 CFR 55.59(c) would require facility licensees to "submit a copy of each comprehensive requalification written examination or annual operating test... at least 30 days prior to conducting such examination or test." This period of time is extremely busy for a facility licensee's training staff. We would offer that the submittal of only those written

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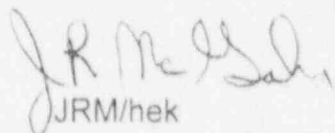
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Comments Regarding Proposed Rule Change - 10 CFR Part 55, Operators' Licenses
July 6, 1993
CNRO-93/00024
Page 2 of 2

examinations or annual operating tests needed to support an NRC inspection be required in advance of the inspection. Other examinations or tests would be available onsite for inspection, or could be submitted upon NRC request. If the periodic submittal of tests or examinations is truly necessary, another alternative to reduce facility licensee burden would be to require their submittal to the NRC once per refueling cycle.

We appreciate this opportunity to express our views on the proposed changes to 10 CFR Part 55 and the Commission's consideration of the our comments.

Sincerely,


JRM/hek

cc:

Mr. T. W. Alexion	Mr. P. W. O'Connor
Mr. R. P. Barkhurst	Mr. N. S. Reynolds
Mr. R. H. Bernhard	Mr. R. L. Simard
Mr. R. B. Bevan, Jr.	Ms. L. J. Smith
Mr. J. L. Blount	Mr. D. L. Wigginton
Mr. S. D. Ebnetter	Mr. J. W. Yelverton
Mr. E. J. Ford	Central File (GGNS)
Mr. C. R. Hutchinson	DCC (ANO)
Mr. H. W. Keiser	Records Center (WF3)
Mr. R. B. McGehee	Corporate File [3]
Mr. J. L. Milhoan	