

POLICY AND PLANNING GUIDANCE

## I. INTRODUCTION

The Policy and Planning Guidance document is issued annually by the Commission. It provides guidance to the staff for establishing priorities and for making the regulatory process more effective as well as more efficient.

The document is organized in terms of seven major themes: Safe Operation of Licensed Plants; Near-Term Licensing Problems and Responses; Coordinating Regulatory Requirements, Improving the Licensing Process; Supporting New Initiatives in Waste Management and the Cleanup of Three Mile Island; Improving Related Regulatory Tools; and Safeguards. The policy section in each theme is intended to establish a general framework for shaping NRC plans and programs. Planning guidance is furnished in those areas where the Commission believes more detail is warranted to meet specific priorities and schedules or where major assumptions are needed for program development. Guidance with respect to each and every activity within NRC is not furnished, since it is not intended that the document be all inclusive. However, this should not be perceived as a Commission belief that other areas are not important to protecting the public health and safety.

The Executive Director for Operations will develop specific program guidance to implement this policy and planning guidance. The EDO will also maintain a management system for the Commission to track major program accomplishments and resource expenditures that support the policy and planning guidance.

The Commission recognizes the value of outside comment on major actions planned by NRC. For example, as the NRC continues to transfer various headquarters functions to its five regional offices, ~~in order to improve communications with licensees and the affected public~~, the public, the industry, and other government agencies will be apprised of our plans and given an opportunity to comment on them and understand them. In this case NRC will be particularly sensitive to comments that relate to ~~ways of~~ maintaining ~~uniformity~~ consistency between the regions.

To carry out the policies of the Commission ~~will require~~ the dedicated effort of all employees and ~~as well as~~ the effective and efficient use of all other NRC resources is essential. Managers should recognize that NRC's greatest resource is its employees. The Commission's most creative and productive employees should be recognized and provided opportunity for development. Consolidation and coordination of programs and the elimination of marginal programs should be considered in making the optimal use of limited resources.

### SAFE OPERATION OF LICENSED PLANTS

#### Policy

- A. NRC's fundamental task is to make sure that existing plants and those coming on-line operate safely. Consequently, the highest priority will be given to assuring that operating facilities achieve and maintain adequate levels of protection of public health and safety.
- B. The Commission believes that licensees and vendors have the principal responsibility for the safe design, construction and operation of nuclear power plants and recognizes that economic incentives need not be inconsistent with safety considerations.

- C. The NRC and the industry must continue to learn the lessons that only experience can teach. Regulations must be based on a close study of operating experiences.
- D. As applied to operating reactors, the goals of NRC's enforcement program will be to assure compliance with NRC regulations. For licensees who do not comply with NRC regulations, prompt and vigorous action will be taken. A licensee must not benefit by violating NRC regulations. Licensees who cannot achieve and maintain an adequate level of protection of public health and safety will not be permitted to operate.

#### Planning Guidance

1. NRC on-site inspection of operating reactors should continue to focus directly on the operations of licensees. The analysis of operational data and systematic assessment of licensee performance will be used to help focus inspections and to allocate inspection resources.
2. Efforts to collect, analyze, disseminate, and act upon operational data relevant to the safe operation of major licensed facilities must continue to receive priority attention.
3. The NRC will continue to operate and improve, as needed, a License Event Reporting (LER) system. A final rule for a LER system should be issued in early 1983 and implemented in the latter part of 1983.
4. The staff should continue to implement the long range human factors program plan ~~when-it-is-completed~~ incorporating guidance from the Commission.

5. Experience gained from application of the enforcement policy should be used to evaluate and revise the policy to make it more effective. Evaluation results should be provided to the Commission along with suggested revisions by mid-1983 and ~~biannually~~ every two years thereafter.
6. The Commission will support alternative regulatory concepts which permit increased industry self-regulation to the extent that such concepts are credible and viable.
7. Phase II of the Systematic Evaluation Program, the actual review of 10 older operating plants, should be completed by the end of FY 1983. The staff should submit a proposal describing the extent and nature of Phase III of the SEP and the National Reliability Evaluations Program for approval prior to implementation.

#### NEAR-TERM LICENSING PROBLEMS AND RESPONSES

##### Policy

- A. The NRC intends that its regulatory processes be efficient and cost effective. Actions should be taken to eliminate all unwarranted delay in reaching regulatory decisions. The Commission reaffirms its Statement of Policy on the Conduct of Licensing Proceedings of May, 1981, which urged Boards to take firm hold of hearings and keep them moving. At the same time, pressure to issue new licenses should not be allowed to compromise safety.

### Planning Guidance

1. Consistent with maintaining safety of operating plants, staff reviews and public hearings should be completed on a schedule that assures the licensing process will not unnecessarily be a critical path item which would delay reactor startup. Recognizing that the length of hearings may depend on the number of contested issues, normally it should take not more than 11 months from issuance of the final supplementary safety evaluation report to an operating license decision by the Commission in contested cases. The staff should make independent estimates of construction completion dates.
2. Licensing boards should adhere rigorously to established schedules in order to reach timely decisions, while preserving individual rights of the public to pursue valid safety issues.
3. The NRC will conduct the licensing review of the Clinch River Breeder Reactor consistent with its statutory responsibilities and without delay.
4. ~~Future-staffing~~ Resource proposals for reactor license reviews should be consistent with the projected level of reactor casework and the need to retain a technical capability should-be-retained to handle review new applications for construction permits. Management attention should be given to training personnel for positions related to the monitoring and inspection of operating plants.



COORDINATING REGULATORY REQUIREMENTS

Policy

- A. NRC must be sensitive to the fact that there is a large volume of requirements imposed on licensees. Strong measures must continue to be taken to control the issuance of new requirements.
- B. Requirements imposed on the regulated industry by NRC are to have a positive contribution to safety, not only individually, but also when the requirements are taken as a whole. Requirements proposed to achieve incremental reductions in residual risk should be evaluated on a cost-benefit basis. Unnecessary regulatory burdens are to be avoided, and NRC regulations should allow licensees to select the most cost effective ways to satisfy NRC safety objectives.
- C. Unresolved Safety Issues should be promptly pursued, and the solutions implemented based on a careful analysis of the costs and benefits of implementation. Priorities for implementation should be established in light of all other requirements imposed on licensees.
- D. Issues which affect numerous licensees should be addressed in the context of rule-making as opposed to case-by-case review.

Planning Guidance

- 1. Without reducing the levels of protection of public health and safety, the Committee for Review of Generic Requirements (CRGR) should continue to review and make recommendations to the EDO with respect to generic requirements imposed on reactor licensees. ~~control-the-number-and nature-of-requirements-placed-on-licensees.--The-CRGR-should-make-sure~~

~~that-existing-requirements-and-these-to-be-issued-(a)~~ By submitting its recommendations directly to the EDO, a single agency-wide point of control is provided to assure that proposed requirements and selected existing requirements (a) do in fact contribute effectively and significantly to the health and safety of the public, and (b) do lead to utilization of both NRC and licensee resources in as optimal a fashion as possible in the overall achievement of protection of public health and safety.

2. In cases where there are conflicting priorities in establishing and implementing new requirements, priorities will be based on the expected risk reduction potential associated with the new requirement.
3. A mechanism should be established by the EDO to control the issuance of specific backfit requirements for individual licensees. This mechanism should will be in place by-early in 1983.
4. The staff should continue to implement the policy goals approved by the Commission in October, 1981 for enlarging the role regional offices have in regulatory operations.~~Headquarters-offices-are-responsible-for assuring-that-NRC-regulations-are-uniformly-applied-in-each-region.~~ NRC's orderly transfer of headquarters functions to the regions including-reactor-license-amendment-reviews should continue and should incorporate any experience and useful comments received from the public, the industry and other government agencies. ~~regarding-the-transfer-plan.~~ The staff ~~is encouraged-to~~ should continue to discussing discuss the nature and extent of regionalization with licensees in order to promote better information flow and improve regulatory interaction. Headquarters offices are responsible for assuring that NRC regulations are consistently applied in each region.

5. By mid-FY 1983 the EDO should submit to the Commission for approval a priority list of generic safety issues including TMI-related issues based on the potential safety significance and cost of implementation of each issue. This priority list will include the identification of those issues which can be eliminated because of marginal importance to the regulatory process. Procedures and criteria should also be recommended for controlling the addition of new issues to the program.
  
6. Implementation schedules for new and existing requirements should be established for each licensee which reflect the importance of the safety requirement to the public health and safety and the licensee's ability to complete the necessary engineering, evaluation and design. Once compliance dates have been established, the Commission will ~~vigoreously~~ enforce these dates license conditions associated with such schedules.

#### IMPROVING THE LICENSING PROCESS

##### Policy

- A. The Commission intends to make the present licensing process for power plants more efficient for both new power plant license applications and those already under review. For new construction permits the main elements of the improved process will be based on concepts such as standardization, early site approvals, and one-step licensing. Administrative improvements such as changes in hearing formats and the role of the staff as a party in hearings also must be studied. The Commission intends to consider a legislative package for submittal to the Congress and also a set of reforms which can be implemented by the Commission without the need for legislation.



### Planning Guidance

1. The Regulatory Reform Task Force will initially identify issues which should be addressed. A senior Advisory Group will assist the Chairman in making specific recommendations to the Commission as a result of the task force's work. An Ad Hoc Committee of outside experts will study the proposed reforms and provide advice to the Commission. Legislative proposals should be forwarded to the Congress by January, 1983. Administrative remedies should be published for comment by early 1983 with a goal of completing rule changes by the end of FY 1983.

### SUPPORTING NEW INITIATIVES

#### Waste Management

#### Policy

- A. The NRC waste management program is critical to the success of an urgent national task. NRC will organize and plan its waste management program to be consistent with the Executive Branch's program as approved by Congress. NRC's waste management program will be based on the premise that, in the absence of unresolved safety concerns, the NRC regulatory program will not delay implementation of the Executive Branch's program. NRC high-level waste management efforts will focus on the review of DOE site characterization activities and the development of methods to implement licensing criteria for high-level waste repositories.

### Planning Guidance

1. The Commission will conclude its Waste Confidence Proceeding by early FY 1983 and will may initiate a rulemaking on the treatment of

environmental impacts of extended spent fuel storage beyond the expiration of reactor operating licenses. The proposed rulemaking rule should be ~~completed~~ published during FY 1983.

2. In early 1983, the NRC will publish a rule ~~in early 1983 covering~~ that contains the technical criteria for high level waste repositories. The rule is to be based on draft EPA standards. The technical criteria will be based on a defense-in-depth strategy that requires thorough consideration of various types of sites, demonstrated capabilities of the waste form selected, and the interaction of the waste form and packaging with the geological, hydrological, and engineered systems involved.
3. During FY 1983-1985, NRC should plan to review three site characterization reports for a high level waste repository. After site characterization, the staff should be prepared to review a license application to obtain construction authorization for a high-level waste storage facility. The NRC review and hearing process should permit a decision on issuing a construction authorization within three and one half years of receiving the license application from DOE.
4. The NRC must be prepared to review industry or government proposals for away-from-reactor or at-reactor independent spent fuel storage facilities. Because of the lead time for design, licensing and construction, NRC should be prepared to review two applications for ~~a~~ new spent fuel storage facility facilities ~~during FY-1983-1985, as well as developmental facilities, and work involving the storage of~~ spent fuel storage in dry storage casks.

TMI-2 CleanupPolicy

- A. The content of the containment at TMI-2 is a potential safety and health hazard to the public. Expeditious cleanup of the TMI-2 reactor is one of NRC's highest safety priorities. While direct responsibility for cleanup rests with the licensee, NRC will provide oversight and support to ensure decontamination of the facility as well as safe and timely removal of radioactive products from the site.
- B. NRC should work closely with DOE to reach timely decisions on the removal of wastes and disposition of reactor fuel.

Planning Guidance

1. NRC will continue monitoring site cleanup activities through a dedicated TMI program office. NRC should urge the licensee to submit updated plans and schedules in early FY 1983 for cleanup. The NRC staff should review those plans and make recommendations to the Commission within three months after receipt. Since the pace of cleanup is dependent upon licensee's funding ability, the licensee's financial condition should be monitored closely by NRC.
2. NRC should closely monitor the implementation of the agreement with DOE which calls for removal of high specific activity wastes for research and development. The objective of NRC's monitoring is to help assure that the wastes are safely and expeditiously removed from the site. NRC should also help assure that DOE will expeditiously implement its agreement to take responsibility for offsite disposition of the reactor fuel.

IMPROVING RELATED REGULATORY TOOLSSafety GoalsPolicy

- A. The Commission has decided to develop safety goals and related safety guidance with emphasis on individual and societal risks which might arise from reactor accidents. The purpose of this project is to develop a general approach to answering the question "how safe is safe enough?"

Planning Guidance

1. In early 1983 the Commission will begin a two year trial period to test implementation of safety goals and guidance.
2. Qualitative safety goals and associated numerical guidance should be used during the trial period only-as in developing regulations or as specifically directed by the Commission.

Risk AssessmentPolicy

- A. Probabilistic risk assessment is an important tool for weighing risks against one another and for estimating achieved safety levels. Quantitative risk assessment techniques will be used judiciously by the staff and the boards as directed by the Commission to estimate the relative importance of potential nuclear power plant accident sequences.

Planning Guidance

1. Special attention should be given to using probabilistic assessment techniques in the trial period for safety goals, as directed by the Commission, and in other regulatory applications especially amenable to risk assessment, e.g., in dealing with generic safety issues, formulating new regulatory requirements, assessing and revalidating or eliminating existing regulatory requirements, evaluating new designs, and setting reactor safety research and inspection priorities.

RADIOACTIVE SOURCE TERM/SITING POLICYPolicy

- A. The Commission has decided to better define its safety objectives and better characterize the radioactive source term before proceeding with new siting regulations. Changes to current regulatory policies will be considered based on the reassessment of the radioactive source term.

Planning Guidance

~~1. ---The radioactive source term should be reassessed by mid-1983.~~

1. The radioactive source term should be better characterized by a systematic analysis of the release and transport of radioactivity. An interim reassessment of the radioactive source term should be developed by February of FY 1983 for selected regulatory analyses. A more comprehensive reassessment of the source term should be developed by the end of FY 1983 for broader regulatory use.



2. Based on the new radioactive source term and after the two year trial period when the safety goal is implemented on a test basis, a proposed siting rule should be developed if changes to the current rule are deemed necessary at that time.
3. The staff should submit a report to the Commission on potassium iodide by January, 1983.

### Quality Assurance

#### Policy

- A. The NRC and the industry must strengthen their Quality Assurance programs with specific attention to implementation. The NRC must encourage the industry to be more aggressive in assuring the adequacy of design, construction, and operation. Quality Assurance programs for plants under construction and awaiting licensing review must receive priority attention to ensure that the plants can be operated safely and that costly delays are avoided.

#### Planning Guidance

1. NRC's responsibilities in quality assurance include the following: to determine the adequacy of a licensee's quality assurance program description; to ascertain that the licensee has established and adequately implemented the approved quality assurance program and to verify compliance with NRC regulations; and finally, to develop the

regulations, standards and guides relevant to quality assurance in design, construction and operation of nuclear facilities.

2. A system of designated representatives analogous to the system employed by the Federal Aviation Administration should be studied further. The study may include conduct of a voluntary trial program. If found appropriate by the Commission, such a system will be proposed to expand NRC quality assurance coverage. Statutory authority to employ the system ~~will~~ would then be requested from the Congress.
3. Certification by the applicant's chief executive officer or his designee that a facility has been designed, constructed and tested in accordance with the Final Safety Analysis Report and other licensing commitments must continue.
4. Once the details and direction of the Institute for Nuclear Power Operations' program with respect to quality assurance are developed, the staff should prepare a Memorandum of Understanding to formalize the agency's relationship with that organization.

#### Research

#### Policy

- A. The purpose of the research program is to assist in establishing, developing, or changing regulations for existing and future facilities. The program will emphasize research that is useful for developing new or revised reactor safety regulations.

Planning Guidance

1. In view of general budgetary considerations, the agency must continue to carry out its research mission with fewer resources. This can be accomplished through more business-like methods, consolidation and coordination of programs with industry and other agencies, and the elimination of marginal programs.
2. The first priority for NRC research efforts will be light water reactor safety.
3. NRC will develop and maintain a long-range research plan to assure that agency resources are being properly directed toward areas of importance to the licensing and inspection processes. The research plan will be revised and updated annually and subjected to agency-wide and Commission review. Research undertaken by the staff will be consistent with the long-range research plan.
4. The Office of Nuclear Regulatory Research should prepare a report which lists regulations likely to be substantively affected by the research programs. Target dates for review of these regulations and the completion of changes to them should be specified. The research programs not expected to affect regulations should be identified also. This report is to be provided to the Commission by early 1983 and annually thereafter.

SAFEGUARDSInternationalPolicy

- A. The NRC recognizes that the proliferation of nuclear explosive devices poses a threat to the security interests of the United States. Hence, the NRC will continue to discharge its statutory licensing responsibilities to ensure that effective controls are applied to the import and export of nuclear materials, equipment, and facilities. ~~The NRC will also seek to support the reliability of the U.S. in meeting its supply commitments to nations which adhere to effective non-proliferation policies. NRC will implement procedures that~~ At the same time, by continuing to facilitate the timely processing of export license applications, the NRC seeks to support the U.S. policy of meeting its supply commitments to nations which adhere to effective non-proliferation policies. The NRC will also continue to meet its commitments for the implementation of IAEA safeguards at U.S. licensed facilities and to work with the Executive Branch as the U.S. pursues improvements in international safeguards.

Planning Guidance

1. The staff will continue to ensure that NRC's statutory nuclear export/import responsibilities are carried out. Staff, In consultation with appropriate Executive Branch agencies, the staff will keep the Commission apprised of the situation with respect to further developments concerning U.S. participation in IAEA activities. In addition, NRC will should continue to work with Executive Branch

agencies to develop ~~recommendations for~~ on U.S. efforts to strengthening strengthen IAEA safeguards.

### Domestic

#### Policy

- A. The Commission considers safeguards an integral and ongoing element of its responsibility. Safeguards regulation should be conducted with the same high confidence defense-in-depth philosophy as safety regulation. NRC should not relax its attention to the continual need to maintain adequate safeguards.

#### Planning Guidance

1. Emphasis should be given to performance requirements rather than prescriptive requirements to ~~place the responsibility on~~ allow licensees to select the most cost effective ways to satisfy NRC requirements.
2. There are indications that physical security requirements at nuclear power plants could affect safety. The safety-safeguards relationship should be re-examined with the objective of determining ways to reduce the impact of safeguards on safety. However, the intent is not to relax the overall level of protection currently provided by safeguards. The "insider" rule should consider safety-safeguards trade-offs and be submitted to the Commission by mid-1983 upon completion of the re-examination.
3. The material control and accounting reform amendments should be submitted to the Commission by early 1983.



4. Evaluation of safeguards events will serve as a basis for regulatory change and response. This evaluation should include domestic events -- within both the defense and the regulated community -- and foreign events. The staff ~~should~~ shall not engage in any intelligence activities but rely on the intelligence community for information.
5. A cost comparison of alternative safeguards information systems will be conducted and a recommendation made to the Commission by mid 1983 as to which system should be pursued.
6. Staff, in addition to assuring that safeguard plans are in place at operating facilities and for transportation, will continue its independent assessment that these implemented plans meet safeguards objectives and that safeguards regulations adequately support those objectives.

STAFF VERSION

Research

Policy

- A. The purpose of the research program is to provide the technical basis for rulemaking and regulatory decisions; to support licensing and inspection activities; and to assess the feasibility and effectiveness of safety improvements.

Planning Guidance

1. Research resources should be allocated to support a balanced program between supportive research for regulatory needs, confirmatory research to reinforce the current regulatory base, and conceptual research for improved reactor safety.
2. The highest priority for NRC research efforts will be light water reactor safety.
3. An advance reactor concepts program will be maintained to provide a technical base on which to make specific CRBR licensing decisions and other advanced reactor concepts consistent with administration policy.
4. NRC will develop and maintain a long-range research plan directed toward areas of importance to the licensing and inspection processes. The research plan will be revised and updated annually and subjected to agency-wide and Commission review. Research undertaken by the staff will be consistent with the long-range research plan.

5. The staff should prepare a report which lists regulations likely to be substantively modified or substantiated by the research programs. Target dates for review of these regulations and the completion of changes to them should be specified. The research programs whose initial purpose is the investigation of improved reactor safety concepts should also be identified. This report is to be provided to the Commission by early 1983 and annually thereafter.
  
6. Joint or coordinated research program with industry groups, other government agencies and foreign groups should be pursued when possible, both to expand the technical breadth provided to projects and to maximize the benefit to be derived from limited resources.