

May 12, 1992

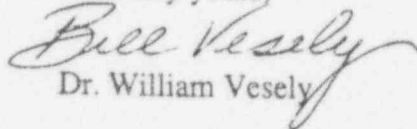
To: Commissioner Curtiss
Mail Stop 16H-3
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Md 20852

Subject: Risk Based Regulations: Contract Issues and Implementation Issues

Dear Commissioner Curtiss,

Ernie Lofgren indicated your request for contract issues and implementation issues associated with a demonstration project on risk-based regulations. I have taken the liberty to provide you with my understanding of the issues, and alternatives which can be pursued. I apologize for the delay in my response, but on May 4-9, 1992 I was again at Laguna Verde in Mexico working with the Regulatory Agency (CNSNS) and the Utility (CFE) under the sponsorship of IAEA in helping to direct their risk-based implementation program. I will be happy to help in any further way I can.

Sincerely yours,


Dr. William Vesely

Enclosure

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PDR COMMS NRCC
CORRESPONDENCE PDR

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IMPLEMENTATION OF RISK-BASED PROJECTS

ISSUES

1. ESEERCO has approved a contract for carrying out a demonstration project on risk-based regulations involving NRC contractors BNL and SAIC with direction being provided by Bill Vesely of SAIC. The specific areas to be covered are:

Prioritization of the risk importances of AOTs and determination of risk-based AOTs.

Identification of risk significant configurations and development of a configuration management program.

Evaluation of optimal maintenance intervals and development of a risk based maintenance program.

Development of actual implementation strategies which would be practical, would have associated controls and monitoring, and would interface with current technical specifications and current regulations.

The first issue is whether the NRC contractors and specifically whether Bill Vesely can receive funding from ESEERCO and under what conditions.

The second issue is the role of NRC in this work. A joint project with NRC involvement has been discussed but no NRC positions have been defined.

2. If the ESEERCO project is carried out, or if other similar utility projects are carried out, then NRC would need to review and evaluate the work. NRC thus needs to identify issues, criteria, and review considerations which need to be addressed. NRC also needs to be involved in some way with any utility work or needs to interface in some way with any utility work.

The first issue here is that NRC involvement would be difficult without BNL and SAIC assistance including Bill Vesely's involvement. NRC is presently doing minimal work on evaluation of risk-based implementations outside of the BNL and SAIC work. (Currently there only is a project at BNL, with SAIC as a subcontractor, for refining risk-based prioritization approaches for risk-based regulation applications. However, this is a relatively small project and narrowly-focused.)

The second issue here is that NRC does not have the staff who are currently sufficiently knowledgeable of the techniques to carry out the review and critiquing of any demonstration project. Bill Vesely has been identified as being involved to assist NRC in

developing criteria and reviewing the industry work. If Bill Vesely works for the industry then he could not work for NRC.

A third issue is that even if Bill Vesely is involved in any NRC sponsored work, basically no support staff exists at NRC who can assist in developing the procedures, criteria, and review considerations for risk-based implementations and demonstrations. A team would need to be assembled with NRC involvement.

ALTERNATIVES

1. The ESEERCO project could be implemented with Bill Vesely involvement. NRC could then separately react to the project outputs. NRC review of the outputs would be conducted as a separate task, at the time of the outputs. Bill Vesely's involvement in the NRC review process would be separately addressed, if he could be involved at all.
2. NRC could develop the criteria and procedures to be followed by ESEERCO or other utilities in carrying out implementations and demonstrations of risk-based regulations. A team could be assembled under NRC control with Bill Vesely's involvement. The ESEERCO funding could be combined with NRC funding if feasible, though this would not be necessary with sufficient NRC funding.
3. NRC and ESEERCO could separately carry out projects with interfaces being handled by an oversight group with Bill Vesely's involvement. The NRC work would focus on general procedures, criteria, and review considerations and the ESEERCO work would focus on a specific demonstration. NRC funding would need to be sufficient to cover the NRC tasks.

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Box 355