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GE Nuclear Energy

July 8, 1997
MFN 033-97

General Electric Company
175 Curtner Avenue, San Jose, CA 95125

62 FR 24997
May 7, 1997

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Office of Administration
Nuclear Regulatory Commission
Washington, DC 20555

Attention: Chief, Rules and Directives Branch, Division of Administrative Services

Subject: **Comments on NUREG-1606, Proposed Regulatory Guidance Related to Implementation of 10 CFR 50.59 (Changes, Tests or Experiments)**

GE Nuclear Energy (GENE) is taking this opportunity to provide comments on the subject NUREG 1606 "Proposed Regulatory Guidance Related to Implementation of 10 CFR 50.59 (Changes, Tests or Experiments)" as requested in Federal Register Notice Vol. 62, No. 88, dated Wednesday, May 7, 1997.

GENE has been providing nuclear plant designs, fuel and services since the earliest days of this industry. As an original licensee and with over 40 years of experience in providing services to our utility customers, GENE has over these years continued to be involved with addressing the requirements of 10 CFR 50.59. Recently, GENE has worked closely with the Nuclear Energy Institute (NEI) on issues and guidance relative to 10 CFR 50.59, just as it continues to work with other industry groups on many nuclear industry issues. Based on this experience and an understanding of the requirements and issues surrounding 10 CFR 50.59 as contained in the subject NUREG, GENE is endorsing the NEI response to NUREG 1606 provided to the NRC on July 7, 1997.

GENE also offers these general observations:

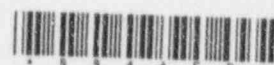
- 1) the existing regulation has served the industry well for over 30 years and as stated in the NUREG
... *when implemented properly, has been and continues to be successful in preserving the design bases and safety margins at operating plants...*
- 2) the 1989 NSAC-125 industry guidance has been very effective and as stated in the NUREG
... *NSAC-125 has given the nuclear power industry a reasonable foundation to establish a process that will, in most instances, produce effective evaluations related to changes to plant design or procedures. Changes of significance are highly likely to be identified by the licensee through implementation of the NSAC-125 guidance. Inspection results have confirmed that the quality of the evaluations of changes has improved since licensees began implementing the NSAC-125 guidance...*

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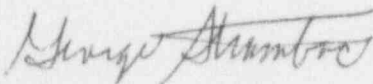
3) regulatory analysis of the industry guidance by NEI shows that the guidance is consistent with implementation of the requirements of 10 CFR 50.59. Such analysis will be provided to the NRC,

4) application of the unnecessarily restrictive interpretations included in the NUREG would divert both utility and NRC resources from safety significant activities, goes significantly beyond the original intent of 10CFR50.59, is not consistent with the design and licensing bases of the plants, and utility estimates support the conclusion that many more utility submittals and NRC reviews would be required without a commensurate improvement in plant and public safety, and

5) additional supplemental industry guidance is being prepared as revisions to NSAC-125 (reidentified as a revision to NEI 96-07) to address some of the issues identified in NUREG-1606.

It is GENE's position that the revised industry guidance in a revision to NEI 96-07 should be reviewed and endorsed by the NRC as appropriate guidance for meeting the requirements of 10 CFR 50.59. And as a corollary, it would not be necessary for further development of the positions and issues identified in NUREG-1606.

If there are any questions about the information above, please contact me.



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