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cc: VSTello
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AFFIRMATION

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RESPONSE SHEET

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TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

FROM: CHAIRMAN PALLADINO

SUBJECT: SECY-85-209A - FINAL REGULATIONS ON NO SIGNIFICANT HAZARDS CONSIDERATION (THE "SHOLLY AMENDMENT")

APPROVED ✓ DISAPPROVED ABSTAIN
NOT PARTICIPATING REQUEST DISCUSSION

COMMENTS:

Entered on "AS"

YES NO

M. Palladino
SIGNATURE

1-6-86

DATE

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SECRETARIAT NOTE: PLEASE ALSO RESPOND TO AND/OR COMMENT ON OGC/OPE MEMORANDUM IF ONE HAS BEEN ISSUED ON THIS PAPER.

AA61-2 PDR



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

DEC 20 1984

MEMORANDUM FOR: Edson G. Case, Deputy Director
Office of Nuclear Reactor Regulation

Darrell G. Eisenhut, Director
Division of Licensing, NRR

Joseph J. Fouchard, Director
Office of Public Affairs

G. Wayne Kerr, Director
Office of State Programs

Gus C. Lainas, Assistant Director
for Operating Reactors, NRR

Martin G. Malsch, Deputy General Counsel
Office of the General Counsel

Victor Stello, Jr., Deputy Executive Director
for Regional Operations & Generic Requirements

FROM: William J. Olmstead
Director & Chief Counsel, Regulations Division
Office of the Executive Legal Director

SUBJECT: DRAFT OF FINAL SHOLLY RULE ON SIGNIFICANT HAZARDS
CONSIDERATIONS

We circulated the enclosed draft of the final Sholly rule by a memorandum dated November 30, 1983. We received concurrences from OPA and OSP. We have not heard from OGC. We met with NRR on October 12, 1984. At that meeting, we agreed to expand and clarify the definition of "emergency situation" in the rule (see pages 48 to 53 and 94 to 96), to clarify the notice procedures for "exigent circumstances" (see pages 53-57 and 95 to 96), to address the issue of repairs (see page 38), and to clarify some minor matters. We believe NRR's comments have been accomodated. (We will need NRR's updates for the material at pages 69 to 73, 76, and 79.)

As explained in our November 30, 1984 memorandum, the rule combines the two interim final rules (on standards and notice) into one. It also contains, to make it easier to follow and understand and to preserve for the public record, the responses to the comments on the proposed rule on standards as well as the responses to the comments on the interim final rules--many of the comments on the proposed and interim final rules were virtually identical. Some modifications were made to the final rule, but the structure and key principals of the two interim final rules have remained the same.

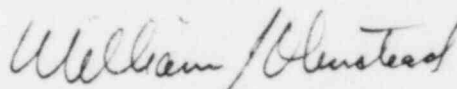
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The issue of the way the examples should be handled has proved difficult. Many commenters suggested additions to or modifications of the examples. (A summary of the comments is enclosed.) Some of these changes could prove controversial and could hold up promulgation of the final rule. The simplest resolution might be to state--as has been done in numerous places in the preamble of the rule--that the examples are merely guidelines and that the present ones are adequate as such. A more difficult resolution might be to say that the staff will publish the examples in a regulatory guide or other such document with the recommended changes it has accepted. The most difficult resolution might be to tackle the examples in the preamble of the rule. We have chosen the first approach.

When we have resolved your comments and received your concurrence, we will prepare a Commission paper and the other material needed to send this rule to the Commission.

We would appreciate your comments and Office concurrence--again-- on this draft by C.O.B. January 15, 1985.

If you have any questions, please call Tom Dorian at x28690.



William J. Oimstead
Director and Chief Counsel
Regulations Division
Office of the Executive
Legal Director

Enclosures:

As stated.

cc: J. Becker, OELD
M. Blume, OGC
E. Christenbury, OELD
J. Philips, RPB
J. Scinto, OELD
J. Thoma, NRR
C. Trammell, NRR
S. Weissberg, OSP