

NUCLEAR REGULATORY COMMISSION WASHINGTON, D. C. 20555

December 9, 1983

MEMORANDUM FOR:

Thomas F. Dorian

Office of the Executive Legal Director

FROM:

Joseph T. Cawley, II

Rules and Procedures Branch Division of Rules and Records Office of Administration

SUBJECT:

DRR REVIEW OF FINAL RULE CONCERNING NOTICE AND STATE CONSULTATION AND NO SIGNIFICANT HAZARDS

CONSIDERATION

Enclosed are pages from the Federal Register notice which contains the final rule noted above with recuired format changes indicated.

Since many documents are referenced throughout the Federal Register notice, you should include additional information in the ADDRESSES section (page two) which explains how the public can obtain copies of the documents through the mail.

The Paperwork Reduction Act Statement (page 80) should be revised as shown. Herb Parcover, TIDC, has supplied the revised language for this final rule.

The Regulatory Analysis Statement and the List of Subjects (pages 81 and 82) should be relocated as shown. Note that the term "Incorporation by Reference" has been added to the List of Subjects for Part 50.

In the final rule the citations of authority for 10 CFF Parts 2 and 50 are revised to eliminate the temporary operating license authority which expires December 31, 1983. I have supplied additional amendatory instructions for both Parts 2 and 50 which would revoke the temporary operating license provisions themselves which are now codified in NRC regulations in the belief that this is what you intended. If you wish to keep this temporary operating license text in NRC regulations, you should disregard these additional amendatory instructions.

Minor format revisions have been supplied for amendatory instructions, regulatory text, and elsewhere in the Federal Register notice.

Two revisions have been supplied for the citation of authority for 10 CFR Part 50 (Page 85).

Please call me on extension 24269 if you have any questions concerning the matters discussed above.

Joseph T. Cawley, II Rules and Procedures Branch

Rules and Procedures Branch Division of Rules and Records Office of Administration

Enclosures: As stated

Copies of comments received on the amendments and of the other ADDRESSES: documents described below may be examined in the Commission's Public Document

obtain copies through the mail - Check u ALSO - Check on actual availability of do ACT: Thomas F. Dorian, Esq., Office of the FOR FURTHER INFORMATION CONTACT:

Executive Legal Director, U.S. Nuclear Regulatory Commission, Washington,

D.C. 20555. Telephone: (301) 492-8690.

Room at 1717 H Street, N.W., Washington, D.C.

SUPPLEMENTARY INFORMATION:

INTRODUCTION

Public Law 97-415, signed on January 4, 1983, among other things, directed NRC to promulgate regulations which establish (a) standards for determining whether an amendment to an operating license involves no significant hazards consideration, (b) criteria for providing or, in emergency situations, dispensing with prior notice and public comment on any such determination, and (c) procedures for consulting on such a determination with the State in which the facility involved is located. See Conf. Rep. No. 97-884, 97th Cong., 2d Sess. (1982). The legislation also authorized NRC to issue and make immediately effective an amendment to a license, upon a determination that the amendment involves no significant hazards consideration (even though NRC has before it a request for a hearing by an interested person) and in advance of the holding and completion of any required hearing.

The two interim final rules published in the FEDERAL RESISTER on April 6, 1983 (48 FR 14864) and (48 FR 14873) responded to the statutory directive that It is important to bear in mind that there is no intrinsic safety significance to the "no significant hazards consideration" standard.

Neither as a notice standard nor as a standard about when a hearing may be held does it have a substantive safety significance. Whether or not an action requires prior notice or a prior hearing, no license and no amendment may be issued unless the Commission concludes that it provides reasonable assurance that the public health and safety will not be endangered and that the action will not be inimical to the common defense and security or to the health and safety of the public. See, e.g., § 50.57(a). In short, the "no significant hazards consideration" standard is a procedural standard which governs whether an opportunition for a prior hearing must be provided before action is taken by the Commission, and whether prior notice for public comment may be dispensed with or shortened in some limited circumstances.

criteria shall take into account the exigency of the need for the amendment involved; and (iii) procedures for consultation on any such determination with the State in which the facility involved is located.

Section 12(b) of that law specifies that:

(b) The authority of the Nuclear Regulatory Commission, under the provisions of the amendment made by subsection (a), to issue and to make immediately effective any amendment to an operating license shall take effect upon the promulgation by the Commission of the regulations required in such provisions.

Thus, as noted above, the legislation authorizes NRC to issue and make immediately effective an amendment to an operating license upon a determination that the amendment involves no significant hazards considerations, even though NRC has before it a request for a hearing from an interested person. In this regard, the Conference Report states:

The conference agreement maintains the requirement of the current section 189a. of the Atomic Energy Act that a hearing on the license amendment be held upon the request of any person whose interest may be affected. The agreement simply authorizes the Commission, in those cases where the amendment involved poses no significant hazards consideration, to issue the license amendment and allow it to take effect before this hearing is held or completed. The conferees intend that the Commission will use this authority carefully, applying it only to those license amendments which pose no significant hazards consideration. Conf. Rep. No. 97-884, 2d. Sess., at 37 (1982).

And the the Senate has stressed:

its strong desire to preserve for the public a meaningful right to participate in decisions regarding the commercial use of nuclear power. Thus, the provision does not dispense with the requirement for a hearing, and the NRC, if requested [by an interested person], must conduct a hearing after the license amendment takes effect. See S. Rep. No. 97-113, 97th Cong., 1st Sess., at 14 (1981).

proposed rule and in the interim final rule. In addition, a list of examples have been used of amendments likely to involve, and not likely to involve, significant hazards considerations when the standards are applied. These examples have been employed by the Commission in developing both the proposed rule and the interim final rule. The notice of proposed rulemaking contained standards proposed by the Commission to be incorporated into Part 50, and the statement of considerations contained examples of amendments to an operating license that are considered "likely" and "not likely" to involve a significant hazards consideration. The examples were samples of precedents with which the staff was familiar; they were representative of certain kinds of circumstances; however, they did not cover the entire range of possibilities; nor did they cover every facet of a particular situation. Therefore, the standards ultimately must govern a determination about whether or not a proposed amendment involves significant hazards considerations.

The three standards proposed in the notice of proposed rulemaking were whether the license amendment would: (1) involve a significant increase in the probability or consequences of an accident previously evaluated, (2) create the possibility of an accident of a type different from any evaluated previously, or (3) involve a significant reduction in a margin of safety. The interim final rule did not change these standards.

1.5 Comments

One commenter points out that the three standards are virtually identical to the criteria in § 50.59 for determining whether unreviewed safety questions exist, and states that this similarity is appropriate.

Another commenter makes the same point but notes an important difference in § 50.59, namely, that the word "significant" is absent in paragraphs (a)(2)(i) to (a)(2)(iii) of that section. It suggests that § 50.59 should be amended to make it identical with § 50.92(c).

Response

Sections 50.59 and 50.92 serve two different purposes. The criteria in § 50.59(a)(2) are used to decide whether a proposed change, test, or experiment involves an "unreviewed safety question." Section 50.59 is used to decide, in part, whether the licensee of an operating reactor may make changes to it or to the procedures as described in the safety analysis report, or whether it may conduct tests or experiments, not described in the safety analysis report, without prior Commission approval. The licensee may not make a change without such approval, if the change involves an unreviewed safety question. To insert the term "significant" into the criteria would obviously raise the threshold for making a determination. It would permit licensees to exercise far greater discretion in judging which changes require Commission review.

Wide variations between licensees might be expected. If the Commission has not reviewed an issue, it should deliberate and decide whether its

Response

In the unlikely situation noted by the commenter, as required by the legislation, the Commission will provide notice of an opportunity for a prior hearing. It will expedite this notice to the best of its ability. However, these procedures apply only to applications for amendments to operating licenses and do not affect the Commission's authority to issue orders or rules. If there is an imminent danger to health or safety, it can issue, of course, an immediately effective order or a rule as explained before. A new § 50.91(a)(7) has been added to clarify this point.

G. Exigent Circumstances

1.1 Comments

One commenter suggests that the two examples of exigent circumstances are unnecessarily narrow because both involve potentially lost opportunities to implement improvements in safety during a plant outage. The commenter recommends that the Commission make clear that these examples were not meant to be limiting and that exigent circumstances can occur whenever a proposed amendment involves no significant hazards consideration and the licensee can demonstrate that avoiding delay in issuance will provide a significant safety, environmental, reliability, economic, or other benefit.

Another commenter requests that exigent circumstances include situations (1) where a licensee's plant is shutdown and the licensee

content, placement, and timing of the notice to be reasonably calculated to allow residents of the area surrounding the facility an adequate opportunity to formulate and submit reasoned comments."

In the interim final rules, the Commission stated its belief that extraordinay—situations may arise, short of an emergency, where a licensee and the Commission must act quickly and where time does not permit the Commission to publish a FEDERAL REGISTER notice soliciting public comment or to provide 30 days ordinarily allowed for public comment. It gave as examples two circumstances involving a net benefit to safety. One circumstance might occur when a licensee which, while shutdown for a short time wishes to add some component—clearly more reliable than one presently installed; and another circumstance might occur when the licensee wishes to use a different method of testing some system and that method is clearly better than one provided for in its technical specifications. In either case, the licensee may have to request an amendment, and, if the Commission determines, among other things, that no significant hazards consideration is involved, it may wish to grant the request before the licensee starts the plant up and the opportunity to improve the plant is lost.

The Commission noted in the interim final rules that in circumstances such as the two just described, it may use media other than the FEDERAL REGISTER, for example, a local newspaper published near the licensee's facility, widely read by the residents in the area surrounding the facility, to inform the public of

release and the geographical area of its coverage and will inform it of the State's and the public's comments. If a system of mailgrams or overnight express is workable, it will use that as opposed to a hotline; however, it will not rule out the use of a hotline. If it does use a hotline, it may tape the conversations and may transcribe there, as necessary, and may send them to licensees.

As with its provisions on emergency situations, the Commission explained in the interim final rules that it would use these procedures sparingly and that it wants to make sure that its licensees will not take advantage of these procedures. It stated that it will use criteria, somewhat similar to the ones it uses with respect to emergency situations, to decide whether it will shorten the comment period and change the type of notice normally provided. It also stated in connection with requests indicating an exigency that it expects its licensees to apply for license amendments in a timely fashion. It will not change its normal notice and public comment practices where it determines that the licensee has failed to use its best efforts to make a timely application for the amendment in order to create the exigency and to take advantage of the exigency provision. Whenever a licensee wants to use this provision, it has to explain to the Commission the reason for the exigency and why the licensee cannot avoid it; the Commission will assess the licensee's reasons for failure to file an application sufficiently in advance of its proposed action or for its inability to take the action at some later time.

Finally, in light of the legislative history, though the Commission gives careful consideration to the comments provided to it by the affected State on the question of no significant hazards consideration, the State comments are advisory to the Commission; the Commission remains responsible for making the final administrative decision on the question. The final rule has been clarified to make clear that a State cannot veto the Commission's proposed or final determination. Second, State consultation does not alter present provisions of law that reserve to the Commission exclusive responsibility for setting and enforcing radiological health and safety requirements for nuclear power plants.

Parcovery you insert Paperwork Reduction Act Statement

I that you below)

This rule contains a new reporting requirement which the Office of Management and Budget approved under OMB No. 3150-0011 for the Commission's use through April 30, 1985.

Regulatory Flexibility Certification

In accordance with the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), the Commission certifies that this rule does not have a significant economic impact on a substantial number of small entities. This rule affects only the licensing and operation of nuclear power plants and testing facilities. The companies that own these plants do not fall within the scope of the

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 3150-001

definition of "small entities" set forth in the Regulatory Flexibility Act or the Small Business Size Standards set out in regulations issued by the Small Business Administration at 13 CFR Part 121. Since these companies are dominant in their service areas, this rule does not fall within the purview of the Act.

Insert on Previous Regulatory Analysis
Page where indicated

(Move)

The Commission has prepared a Regulatory Analysis on these amendments, assessing the costs and benefits and resource impacts. It is contained in SECY-83-16B and it may be examined at the address indicated above.

> [INSERT LIST OF SURJECTS HORE]

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, and sections 552 and 553 of Title 5 of the United States Code, notice is hereby given that the following amendments to 10 C.F.R. Parts 2 and 50 are published as a document subject to codification.

List of Subjects in 10 C.F.R. Parts 2 and 50.

Part 2

(MOVE)

Administrative practice and procedure, Antitrust, Byproduct material, Classified information, Environmental protection, Nuclear materials, Nuclear power plants and reactors, Penalty, Sex discrimination, Source material, Special nuclear material, Waste treatment and disposal.

Part 50

Antitrust, Classified information, Fire prevention, Intergovernmental relations, Nuclear power plants and reactors, Penalty,
Radiation protection, Reactor siting criteria, Reporting requirements.

(MOVE)

PART 2 -- RULES OF PRACTICE FOR DOMESTIC LICENSING PROCEEDINGS

1. The authority citation for Part 2 is revised to read as follows:

<u>AUTHORITY</u>: Secs. 161, 181, 68 Stat. 948, 953, as amended (42 U.S.C. 2201, 2231); sec. 191, as amended, Pub. L. 87-615, 76 Stat. 409 (42 U.S.C. 2241); sec. 201, 88 Stat. 1242, as amended (42 U.S.C. 5841); 5 U.S.C. 552.

Section 2.101 also issued under secs. 53, 62, 63, 81, 103, 104, 105, 68 Stat. 930, 932, 933, 935, 936, 937, 938, as amended (42 U.S.C. 2073, 2092, 2093, 2111, 2133, 2134, 2135); sec. 102, Pub. L. 91-190, 83 Stat. 853, as amended (42 U.S.C. 4332); sec. 301, 88 Stat. 1248 (42 U.S. 5871). Sections 2.102, 2.103, 2.104, 2.105, 2.721 also issued uncescs. 102, 103, 104, 105, 183, 189, 68 Stat. 936, 937, 938, 954, 955 as amended (42 U.S.C. 2132, 2133, 2134, 2135, 2233, 2239). Section 2.105 also issued under Pub. L. 97-415, 96 Stat. 2073 (42 U.S.C. 2239)

Sections 2.200-2.206 also issued under secs. 186, 234, 68 Stat. 955, 83

Stat. 444, as amended (42 U.S.C. 2236, 2282); sec. 206, 88 Stat. 1246

(42 U.S.C. 5846). Sections 2.600-2.606 also issued under sec. 102,

Pub. L. 91-190, 83 Stat. 853, as amended (42 U.S.C. 4332). Sections 2.700a,

2.719 also issued under 5.U.S.C. 554. Sections 2.754, 2.760, 2.770 also
issued under 5 U.S.C. 557. Sections 2.790 also issued under sec. 103, 68

Stat. 936, as amended (42 U.S.C 2133) and 5 U.S.C. 552. Sections 2.800

and 2.808 also issued under 5 U.S.C. 553. Section 2.809 also issued under 5

U.S.C. 553 and sec. 29, Pub. L. 85-256, 71 Stat. 579, as amended. (42

U.S.C. 2039). Appendix A also issued under sec. 6, Pub. L. 91-580, 84 Stat.

1473 (42 U.S.C. 2135).

- 2. In § 2.105, paragraphs (a)(4) [through-(a)(8)-are-redesignated-as paragraphs-(a)(5)-through-(a)(9),-a-new-paragraph-(a)(4)-is-added, and redesignated-paragraph](a)(6) are revised as follows:*
- § 2.105 Notice of proposed action.
 - (a) * * *
- (4) An amendment to an operating license for a facility licensed under § 50.21(b) or § 50.22 or for a testing facility, as follows:
- (i) If the Commission determines under § 50.58 that the amendment involves no significant hazards consideration, though it will provide notice

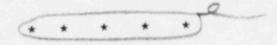
^{*} Additions are underlined; deletions are in brackets and scored through.

of opportunity for a hearing pursuant to this section, it may make the amendment immediately effective and grant a hearing thereafter; or

(ii) If the Commission determines under § 50.58 and § 50.91 that an emergency situation or exigent [situation] circumstances exists and that the amendment involves no significant hazards considerations, it will provide notice of opportunity for a hearing pursuant to § 2.106 (if a hearing is requested, it will be held after issuance of the amendment);

* * * * *

(6) An amendment to a license specified in paragraph (a)(5) of this section, or an amendment to a construction authorization granted in proceedings on an application for such a license, when such <u>an</u> amendment would authorize actions which may significantly affect the health and safety of the public; or



(add) >3. Subpart C is revoked.

PART 50 -- DOMESTIC LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

4. 3. The authority citation for Part 50 is revised to read as follows:

AUTHORITY: Secs. 103, 104, 161, 182, 183, 186, 189, 68 Stat. 936, 937, 948, 953, 954, 955, 956, as amended, sec. 234, 83 Stat. 1244, as amended (42 U.S.C. 2133, 2134, 2201, 2232, 2233, 2236, 2239, 2282); secs. 201, 202, 206, 88 Stat. 1242, 1244, 1246, as amended (42 U.S.C. 5841, 5842, 5846), unless otherwise noted.

Section 50.7 also issued under Pub. L. 95-601, sec. 10, 92 Stat. 2951 (42 U.S.C. 5851). Sections 50.58, 50.91, and 50.92 also issued under Pub. L. 97-415, 96 Stat. 2073 (42 U.S.C. 2239). Section 50.78 also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). Sections 50.80-50.81 also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234). Sections 50.100-50.102 also issued under sec. 186, 68 U.S.C. 955 (42 U.S.C 2236).

For the purposes of sec. 223, 68 Stat. 958, as amended (42 U.S.C. 2273), §§ 50.10(a), (b), and (c), 50.44, 50.46, 50.48, 50.54, and 50.80(a) are issued under sec. 161b, 68 Stat. 948, as amended (42 U.S.C. 2201(b)); §§ 50.10(b) and (c) and 50.54 are issued under sec. 161i, 68 Stat. 949, as amended (42 U.S.C. 2201(i)); and §§ 50.55(e), 50.59(b), 50.70, 50.71, 50.72, and 50.78 are issued under sec. 161o, 68 Stat. 950, as amended (42 U.S.C. 2201(o)).

For the purposes of sec. 223, 68 Stat. 958, as amended (42 U.S.C. 2273), §§ 50.10(a), (b), and (c), 50.44, 50.46, 50.48, 50.54, and 50.80(a) are issued under sec. 161b, 68 Stat. 948, as amended (42 U.S.C. 2201(b)); §§ 50.10(b) and (c) and 50.54 are issued under sec. 161i, 68 Stat. 949, as amended (42 U.S.C. 2201(i)); and §§ 50.55(e), 50.59(b), 50.70, 50.71, 50.72, and 50.78 are issued under sec. 161o, 68 Stat. 950, as amended (42 U.S.C. 2201(o)).

(add) > 5. In \$50.57, paragraph (d) is revoked

6. In § 50.58, paragraph (b) is revised to read as follows: §50.58 Hearings and report of the Advisory Committee on Reactor Safeguards.

- (b)(1) The Commission will hold a hearing after at least 30-days' notice and publication once in the FEDERAL REGISTER on each application for a construction permit for a production or utilization facility which is of a type described in §50.21(b) or §50.22 of this part, or which is a testing facility.
- (2) When a construction permit has been issued for such a facility following the holding of a public hearing and an application is made for an operating license or for an amendment to a construction permit or operating license, the Commission may hold a hearing after at least 30-days' notice and publication once in the FEDERAL REGISTER, or, in the absence of a request therefor by any person whose interest may be affected, may issue an operating license or an amendment to a construction permit or operating license without a hearing, upon 30-days' notice and publication once in the FEDERAL REGISTER of its intent to do so.

1.5 Section [A-new-§]50.91 is [added-te-Part-50] amended to read as follows:

\$50.91 Notice for public comment; State consultation.

The Commission will use the following procedures on an application [received after-May-6;-1983] requesting an amendment to an operating license for a facility licensed under § 50.21(b) or § 50.22 or for a testing facility:

- (a) Notice for public comment.
- (1) At the time a licensee requests an amendment, it must provide to the Commission its <u>reasoned</u> analysis, using the standards in § 50.92, about the issue of no significant hazards consideration.
- (2) The Commission may publish in the FEDERAL REGISTER under § 2.105

 [either] an individual notice of proposed action as to which it makes a proposed determination that no significant hazards consideration is involved, or, at least once every 30 days, a monthly notice of proposed actions which identifies each amendment issued and each amendment proposed to be issued since the last such monthly notice, or both. For each amendment proposed to be issued, [either] the notice will (i) contain the staff's proposed determination, under the standards in § 50.92, (ii) provide a brief description of the amendment and of the facility involved, (iii) solicit public comments on the proposed determination, and (iv) provide for a 30-day comment period. The comment period will run from the first such notice, and, normally, the amendment will not be granted until after this comment period expires.
- (3) The Commission may inform the public about the final disposition of an amendment request where it has made a proposed determination on no significant hazards consideration either by issuing an individual notice of issuance under § 2.106 or by publishing such a notice in its monthly

a licensee requesting an amendment must explain why this emergency situation occurred and why it could not avoid this situation, and the Commission will assess the licensee's reasons for failure to file an application sufficiently in advance of that event.

- (6) Where the Commission finds that exigent circumstances exist, in that a licensee and the Commission must act quickly and that time does not permit the Commission to publish a FEDERAL REGISTER notice allowing 30 days for prior public comment, and it also determines that the amendment involves no significant hazards considerations, it will:
- (i) Either issue a FEDERAL REGISTER notice or use local media as notice to provide an opportunity for a hearing and to allow two weeks from the date of the notice for prior public comment; [it-will-use-lecal-media-te-inferm-the public-in-the-area-surreunding-a-licensee's-facility-ef-the-licensee's amendment-and-ef-its-prepesed-determination-as-described-in-paragraph-(a)(2) ef-this-section;]
- (ii) Provide for a reasonable opportunity for the public to comment, using its best efforts to make available to the public whatever means of communication it can for the public to respond quickly and to make a record of any communications received;
- (iii) Publish a notice of issuance under § 2.106. [previding-an eppertunity-for-a-hearing-and-for-public-comment-after-issuance;-if-it determines-that-the-amendment-involves-no-significant-hazards-consideration]
- (iv) Provide a hearing after issuance, if one has been requested by a person with the requisite interest:

 $[\{i*\}](v)$ Require an explanation from the licensee about the reason for the exigency and why the licensee cannot avoid it, and use its normal public notice and commen procedures in paragraph (a)(2) of this section where it determines that the licensee has failed to use its best efforts to make a timely application for the amendment in order to create the exigency and to take advantage of this procedure; and

- (7) Where the Commission finds that significant hazards considerations are involved, it will issue a FEDERAL REGISTER notice providing an opportunity for a prior hearing and for public comment. It will issue this notice even in an emergency situation, unless it finds an imminent danger to the health or safety of the public, in which case it will issue an appropriate order or rule under 10 C.F.R. Part 2.
 - (b) State consultation.
- (1) At the time a licensee requests an amendment, it must notify the State in which its facility is located of its request by providing to that State a copy of its application and its <u>reasoned</u> analysis about no significant hazards considerations and indicate on the application that it has done so. (The Commission will make available to the licensee the name of the appropriate State official designated to receive such amendments.)
- (2) The Commission will advise the State of its proposed determination about no significant hazards consideration normally by sending it a copy of the FEDERAL REGISTER notice at the time it sends that notice to the FEDERAL REGISTER for publication.

- (2) To a hearing on the determination before the amendment becomes effective; or
- (3) To insist upon a postponement of the determination or upon issuance of the amendment;
- (4) Nor do these procedures alter present provisions of law that reserve to the Commission exclusive responsibility for setting and enforcing radiological health and safety requirements for nuclear power plants.
- 8. F. Section [50-91-is-redesignated-as-§] 50.92 [and-revised] is amonded to read as follows:
- § 50.92 Issuance of amendment.
- (a) In determining whether an amendment to a license or construction permit will be issued to the applicant, the Commission will be guided by the considerations which govern the issuance of initial licenses or construction permits to the extent applicable and appropriate. If the application involves the material alteration of a licensed facility, a construction permit will be issued [prier-te] before the issuance of the amendment to the license. If the amendment involves a significant hazards consideration, the Commission will give notice of its proposed action (1) pursuant to § 2.105 of this chapter before acting thereon and [The-netice-will-be-issued] (2) as soon as practicable after the application has been docketed.