

August 27, 1999

COMMISSION VOTING RECORD

DECISION        SECY-99-148  
ITEM:  
TITLE:            CREDIT FOR EXISTING PROGRAMS FOR LICENSE RENEWAL

The Commission (with all Commissioners agreeing) approved the subject paper as recorded in the Staff Requirements Memorandum (SRM) of August 27, 1999.

This Record contains a summary of voting on this matter together with the individual vote sheets, views and comments of the Commission, and the SRM of August 27, 1999.

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Annette Vietti-Cook  
Secretary of the Commission

Attachments: 1. Voting Summary  
                  2. Commissioner Vote Sheets  
                  3. Final SRM

cc: Chairman Dicus  
      Commissioner Diaz  
      Commissioner McGaffigan  
      Commissioner Merrifield  
      OGC  
      EDO  
      PDR  
      DCS

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VOTING SUMMARY - SECY-99-148

RECORDED VOTES

	<b>APRVD</b>	<b>DISAPRVD</b>	<b>ABSTAIN</b>	<b>NOT PARTICIP</b>	<b>COMMENTS</b>	<b>DATE</b>
COMR. DICUS	X				X	7/23/99
COMR. DIAZ	X				X	8/2/99
COMR. McGAFFIGAN	X				X	8/6/99
COMR. MERRIFIELD	X				X	7/19/99

COMMENT RESOLUTION

In their vote sheets, all Commissioners approved the staff's recommendation and provided some additional comments. The Chairman would have preferred to let the staff identify policy issues to the Commission for consideration, without requiring explicit approval of the technical documents. Subsequently, the comments of the Commission were incorporated into the guidance to staff as reflected in the SRM issued on August 27, 1999.

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Commissioner Comments on SECY-99-148

Chairman Dicus

I approve the staff's recommendation to use Option 3 of the paper, and have the following comments.

I believe that it is premature to provide additional guidance to the staff for the future reviews of existing programs based on the reviews to date of the two applications for license renewal. I would like to reinforce that, consistent with the statements of consideration for the 1995 amended rule for [10 CFR Part 54](#), the objective of the staff's review of existing programs must be to determine whether the detrimental effects of aging are adequately managed. This does not mean that the license renewal review should reaffirm the adequacy of the current licensing basis for the plant as established under [10 CFR Part 50](#). While recognizing that this is not always easy to distinguish, the staff must exercise sufficient management discipline to ensure that the review process is predictable for future applicants for license renewal. I believe that a combination of improved documentation and periodic management meetings to resolve emerging issues with stakeholders is sufficient at this point in time to ensure that a predictable license renewal process is maintained.

I also believe that an important part of a predictable process is to reach mutual agreement on the ground rules for the reviews, as codified in documentation such as the Standard Review Plan (SRP), the Generic Aging Lessons Learned (GALL) report, and NEI 95-10. The staff should proceed with the development of this documentation in parallel with the current reviews and ensure that lessons learned on the initial applications are incorporated in these documents. All parties should recognize that these documents are living documents and must be revised periodically even while maintaining a predictable review process. The staff should provide this documentation to the Commission for information when they are released for public comment.

The process to reach agreement on review issues and documentation must be transparent to our stakeholders to ensure their confidence in the reviews. Therefore, the staff should ensure all stakeholders have the opportunity for participation in documentation updates and management meetings, including an opportunity for review of significant issues upon appeal. The staff should promptly inform the Commission of any significant issues that may arise from this process.

#### Commissioner Diaz

I approve Option 3. Given the limited number of license renewal applications and the staff's review experience, Option 3 is appropriate at the present time. Furthermore, Option 3 is consistent with the intent of the license renewal rule to ensure that the existing programs will be effective in managing aging effects for the extended period of operation and to ensure that the current licensing basis is maintained.

The development of the Generic Aging Lessons Learned (GALL) report should receive the benefit of the staff members who conducted the review of the license renewal applications. The staff should seek stakeholders' participation in the development of the GALL report, the license renewal standard review plan and the regulatory guide. As we gain more experience in reviewing license renewal applications, these documents should be updated to capture the additional lessons learned. The staff may then find it appropriate to review new aging management issues as well as to scale back on the review of certain existing programs, as warranted, while striving to maintain a stable and predictable license renewal review process. The GALL report, the license renewal standard review plan and the regulatory guide should be submitted to the Commission for information.

For those existing programs not requiring modification during the extended period of operation, the applicants can use the GALL report and should only be required to provide the necessary and sufficient descriptions of their existing programs, including how the programs will manage those aging effects. The staff should then verify that those programs are adequate as described in the GALL report. For new or modified aging management programs, more detailed program descriptions and commensurate staff reviews should be conducted.

As more data is accumulated from license renewal applications of different designs, and experience is gained from reviewing more applications, the staff should prepare a detailed analysis and provide recommendations to the Commission on whether it would be appropriate to give credit to existing programs by rulemaking.

#### Commissioner McGaffigan

I approve Option 3. Central to Option 3 is the development of the "Generic Aging Lessons Learned (GALL)" report, which will be referenced in the Standard Review Plan (SRP). At the Commission meeting on July 13, I stressed how important it is that all stakeholders be fully involved in the process of finalizing the SRP and GALL report, especially if they are to be the avenue for resolving the 109 generic issues which have been identified by the staff.

I believe that we need to learn from the success of our efforts at stakeholder involvement in the new oversight process and apply those lessons to the process for resolving generic license renewal issues. I would recommend that when the GALL report and SRP are issued in draft for public comment, workshops be held to bring all interested stakeholders up to date. I would recommend that the Commission be involved by holding a Commission briefing after the comment period and the staff's initial evaluation of the comments (as we have done on the oversight process, the Part 35 rulemaking and the 50.59 rulemaking). I can envision the need for focused public meetings between the staff and stakeholders to resolve comments on individual issues. As Mr. Lochbaum pointed out, all public comments need to be addressed. I believe that the final GALL report and final SRP should be submitted to the Commission for approval. A Commission briefing by staff and stakeholders would be appropriate at that time before final Commission action. If we follow this course, we will gain the confidence of our stakeholders even if we ultimately end up disagreeing with some of their comments. The license renewal process is too important to follow anything but best practices in stakeholder involvement.

#### Commissioner Merrifield

Before providing comments on SECY-99-148, I want to take this opportunity to commend the staff for the outstanding job they have done to date on the Calvert Cliffs and Oconee license renewal applications. While much work remains, the staff should be proud of the job it has done in managing the process, involving stakeholders in the process, and conducting a thorough, timely, and disciplined review.

As I stated in the July 13<sup>th</sup> Commission Meeting, while SECY-99-148 deals with the policy issue associated with the extent to which the NRC credits existing programs, there is an underlying management issue pertaining to regulatory discipline that must be reinforced as the staff carries out the Commission's policy decision. Regardless of the decision the Commission makes on SECY-99-148, NRC senior management must ensure that processes

and management controls are institutionalized so that staff carries out Commission policy in a predictable and disciplined manner not only for the initial renewal applications, but for all applications that will follow. Whether the concern is "regulatory creep" as characterized by NEI or "excessive informality" as characterized by UCS, failing to maintain regulatory discipline in the area of license renewal could have far-reaching adverse effects for not only the agency, but for its many stakeholders. Certainly, an improved Standard Review Plan should bring with it greater efficiencies while at the same time enhancing regulatory discipline and predictability. Other management controls provided through such mechanisms as the NRC License Renewal Steering Committee, as well as an active and transparent stakeholder input process, should also facilitate these attributes. However, given the importance of this issue, I believe the Commission must remain engaged in the license renewal process and the resources dedicated to it, and institutionalize its involvement through such vehicles as periodic briefings and a formal process of being informed by the staff of **significant** changes to the Standard Review Plan (SRP) and the Generic Aging Lessons Learned (GALL) document prior to their implementation. I will discuss this further in my comments that follow.

Regarding SECY-99-148, I approve the use of Option 3 to provide credit for existing programs for license renewal. I do not believe that existing programs should automatically be considered adequate to manage aging effects for license renewal by virtue of being part of the current licensing basis. The license renewal rule requires a demonstration that the effects of aging will be adequately managed for the period of extended operation. More specifically, the rule requires an applicant to demonstrate that the effects of aging will be adequately managed so that the intended functions of structures and components will be maintained consistent with the current licensing basis for the period of extended operation. While I agree with NEI that staff reviews need to be focused and that these reviews should not amount to a reverification of the adequacy of the current licensing basis, the staff must have the information necessary to make findings set forth in 10 CFR 54.29. Thus, in terms of the **issue statement** presented, Option 3 describes the extent to which I believe the staff should review existing programs relied on for license renewal, to conclude that the applicant has demonstrated reasonable assurance that such programs will be effective in managing effects of aging on the functionality of structures and components in the period of extended operation.

As part of its efforts to improve the standard review plan for license renewal, the staff is engaged in developing the GALL which will generically evaluate the adequacy of existing programs to manage aging effects for license renewal. The staff indicates that the GALL report will document the basis on which existing programs are found adequate for license renewal and identify the areas where existing programs should be augmented for license renewal. While I support Option 3, clearly the GALL is a work in progress and many of the details regarding its development, content, and implementation are not readily apparent in SECY-99-148. As such, I have some questions and concerns about the GALL approach which, I believe, will warrant further staff explanation and Commission involvement as the GALL is developed. My first concern relates to contractor development of the GALL. While I am confident that the staff is utilizing competent contractors and overseeing their efforts, I am particularly interested in how staff insights, especially from staff directly involved in the review of the initial renewal reviews, are being captured in the GALL development process. My second concern relates to content and content management of the GALL. Specifically, it is my understanding that the GALL will document the basis on which existing programs are found adequate for license renewal and prescribe attributes for such programs. What is not clear is the process by which these attributes will be derived, what process controls will be utilized to prevent "attribute creep" or "attribute shrink", and how stakeholder disagreements over the scope of these attributes will be resolved. Finally, while SECY-99-148 does briefly discuss implementation of the GALL, it was clear at the July 13<sup>th</sup> Commission Meeting that stakeholder and Commission understanding of the GALL approach will have to be enhanced. For example, I am not sure that it is clearly understood that when an applicant references the GALL report in its renewal application, the staff will not necessarily limit itself to a paper review of that reference, but could perform inspections, as part of the license renewal inspection process, to verify that the GALL report is applicable to the applicants' plants.

Clearly, given that the GALL is a work in progress, it is understandable that many questions remain unanswered. However, unanswered questions naturally heighten uncertainty and skepticism among our stakeholders. Therefore, as the staff proceeds with development of the GALL approach, it should strive to enhance stakeholder understanding of its content and implementation and should solicit stakeholder feedback. The staff has indicated that it will issue the SRP and GALL report for public comment before final publication. Because the GALL and SRP are such an integral part of Option 3, I believe they should be provided to the Commission for information at the same time they are issued for public comment. Prior to **final** publication of the SRP and GALL, they should be provided to the Commission for approval. The SECY forwarding these documents to the Commission should discuss the basis for the GALL's content, a summary of the public comments, and a clear description of how the staff intends to utilize the GALL in the application and review process. The SECY should reflect OGC coordination. Furthermore, as I stated earlier, the Commission should institutionalize its involvement through a formal process of being informed by the staff of any significant changes to the GALL or SRP prior to their implementation. My desire for active Commission involvement should not be interpreted as reflecting any concern with respect to how the staff is carrying out its responsibilities for the initial renewal applications. On the contrary, the staff has done a superb job. It merely reflects how important I think the license renewal process is, and my belief that our stakeholders, including Congress, licensees, and public interest groups, expect no less.

During the July 13<sup>th</sup> Commission Meeting, the staff left me with the impression (or mis-impression) that the pace of work on the GALL and SRP was constrained by the availability of resources currently dedicated to the review of the Calvert Cliffs and Oconee renewal applications. I believe our license renewal efforts consist of two distinct and integral components: one consisting of the actual staff review of submitted renewal applications and one associated with building a regulatory infrastructure (SRP, GALL, inspection procedures...) to support consistent, effective, and efficient reviews in the future. Given that we are in the early stages of license renewal, it is imperative that the staff have the resources necessary to not only review the applications that are in-house, but to also promptly construct the infrastructure necessary for the effective review of future applications. Sacrificing the infrastructure component for the sake of completing our ongoing reviews in a more prompt manner would be shortsighted. I am confident that the staff understands its responsibilities in this matter and I am equally confident that the staff understands the resources that will be needed to carry out these responsibilities. However, I will pursue this matter further in my review of the FY 2001 Budget Estimates and Performance Plan.

Finally, when the staff has developed more experience related to implementation of Part 54, it should seek to develop further process efficiencies. The staff should continue to actively solicit stakeholder input in the renewal process and lessons learned initiatives. As discussed by my colleagues at the July

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13 Commission Meeting, the license renewal process should be "transparent" and benefit from the insights of the agency's interested stakeholders.