February 2, 1996

FOR: The Commissioners

FROM: James M. Taylor /s/
Executive Director for Operations

SUBJECT: SEMIANNUAL STATUS REPORT ON THE IMPLEMENTATION OF REGULATORY REVIEW GROUP RECOMMENDATIONS

PURPOSES:

1. To provide the final semiannual report on the status of the staff's actions to implement the Regulatory Review Group Implementation Plan described in SECY-94-003, "Plan for Implementing Regulatory Review Group Recommendations." The last semiannual status report was provided in SECY-95-089, "Semiannual Status Report on the Implementation of Regulatory Review Group Recommendations," dated April 10, 1995.

2. To advise the Commission that the Office of Nuclear Reactor Regulation (NRR) Regulatory Review Group/Cost-Beneficial Licensing Action (RRG/CBLA) Programs Staff, established approximately 2 years ago to coordinate and facilitate the activities of the RRG implementation plan, is expected to be disbanded in early 1996. This group has successfully overseen the institutionalization of the CBLA program in NRR and completion of the majority of RRG items and there is insufficient work remaining to justify the need for a separate organization.

3. To inform the Commission on how the NRR staff will continue to consider and resolve the RRG items not yet completed.

BACKGROUND:

On January 4, 1993, the Executive Director for Operations (EDO) established the Regulatory Review Group. The RRG conducted a disciplined review of power reactor regulations and related processes, programs, and practices, placing special attention on the possibility of using performance-based requirements and guidance in place of prescriptive requirements and guidance.

The RRG reviewed the regulations of Title 10, Part 50 of the Code of Federal Regulations (10 CFR Part 50) affecting operating reactors, the content of four power reactor licenses, regulatory guidance supporting selected technical areas, public comments on the Marginal-to-Safety Program, the 1992 review by the Committee to Review Generic Requirements (CRGR), and related industry correspondence in the time frame of the RRG review.

In August 1993, the RRG issued its final report containing recommendations to reduce the regulatory burden on power reactor licensees and strengthen NRC administrative practices. The RRG discussed several key changes in the way NRC conducts business that could significantly reduce industry and NRC staff costs without adversely affecting the level of safety at operating plants. The RRG also examined agency practices and proposed possible efficiencies in rulemaking practices, reporting requirements, and licensee commitment management.

In January 1994, the staff submitted to the Commission its plan for implementing the RRG recommendations (SECY-94-003). The plan contained general implementation strategies, priorities, major milestones, and target schedules for the timely resolution of each RRG recommendation. In September 1994, the staff submitted to the Commission a status report (SECY-94-243, "Commission Update of Regulatory Review Group Actions") that expanded the implementation plan to include summaries on the current status of each topic area and information on revised schedules, and committed to send to the Commission periodic status updates. In April 1995, the staff submitted to the Commission another status report (SECY-95-089) that included summaries on work completed, the current status of each remaining topic area, and information on revised schedules. The staff has continued to work steadily to address the action plans presented in the implementation plan.

DISCUSSION:

- STATUS OF PRIORITY 1 RRG TOPIC AREAS
  - Graded Quality Assurance (Topic Area 1) - ONGOING
  - Plan Changes for Security, Quality Assurance, and Emergency Preparedness (10 CFR 50.54(p), (a), and (q) (Topic Areas 13, 3, and 5)
  - Commitment Management (Topic Area 7) - ONGOING
  - Cost-Beneficial Licensing Actions (Topic Areas 11 and 12) - COMPLETED
  - Agency Plan for PRA (Topic Areas 27-30) - ONGOING
  - Revise American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code Requirements for Inservice Inspection and Inservice Testing Based on Risk (Topic Area 33) - ONGOING
- COMPLETION OF RRG PRIORITY 2 AND 3 TOPIC AREAS
  - Definition of Current Licensing Basis (Topic Area 8) - COMPLETED
  - Definition of Design Basis (Topic Area 9) - COMPLETED
  - Definition of Material Alteration (Topic Area 10) - COMPLETED
  - Revise 10 CFR Part 73, "Physical Protection of Plants and Materials," to Be More Performance Based (Topic Area 16) - COMPLETED
- SCHEDULE CHANGES FOR PRIORITY 2 AND PRIORITY 3 TOPIC AREAS
  - Fitness for Duty (Topic Areas 18, 19, and 20) - ONGOING
  - Decommissioning (Topic Areas 37 and 38) - ONGOING
  - Rulemaking (Topic Area 42) - ONGOING
  - Training and Staffing (Topic Area 51) - ONGOING
  - Technical Specifications (Topic Area 54) - ONGOING
  - Cycle-Specific Parameter Limits in Technical Specifications (Topic Area 55) - ONGOING
  - Reduced Scope of Monthly Operating Report (Topic Area 58) - ONGOING
  - Revision of Regulatory Guides for Consistency With Revised 10 CFR Part 20 (Topic Area E) - ONGOING

Since issuing the previous status report (SECY-95-089), the staff has completed work on 10 additional RRG implementation plan items, bringing the number of completed items to 42 (59 percent). To complete the 10 most recent items, the staff issued a revision to 10 CFR Part 21 that broadens the definition of commercial grade items (CGIs) to provide licensees with greater flexibility in CGI dedication for use in safety-related applications (Topic Area 2); determined that licensees' implementation of 10 CFR 50.54(q) has been adequate and additional guidance on what constitutes a decrease in emergency preparedness plan effectiveness is not warranted (Topic Area 5); determined

that the definition of "current licensing basis" in 10 CFR Part 54 is adequate and should not be changed or added to 10 CFR Part 50 (Topic Area 8); determined that the definition of "design basis" in 10 CFR Part 50 is adequate and should not be changed (Topic Area 9); discontinued evaluation of the need to amend 10 CFR Part 50 to add a definition of "material alteration" because of resource limitations and minimal regulatory benefit (Topic Area 10); determined that the CBLA Program has become sufficiently institutionalized within NRR (Topic Areas 11 and 12); issued a generic letter (GL) clarifying that licensees may make certain changes to security plans without prior NRC approval (Topic Area 13); determined that the resources required to revise 10 CFR Part 73 to recast the prescriptive sections of the rules in a more performance-based approach are prohibitive and not warranted at this time (Topic Area 16); and issued a revision to Inspection Procedure 73756 regarding inservice testing (Topic Area 35). Part 1 of Attachment 1 lists all completed RRG implementation plan items as of this status report.

During the last 9 months, the staff has made progress on many of the 29 remaining RRG topic areas and completed a number of the tasks delineated in the action plans for these topic areas. Examples of completed tasks include issuing staff guidance for evaluation of graded quality assurance (QA) programs (Topic Area 1); meeting with industry on issues specific to QA plans and changes to these plans (Topic Area 3); advising the Commission and industry of the staff position on licensee management of commitments to the NRC (Topic Area 7); publishing a proposed rule on decommissioning in 10 CFR Part 50 (Topic Area 37); evaluating the adequacy of final safety analysis report (FSAR) updates required by 10 CFR 50.71(e) and recommending that 10 CFR 50.71(e) not be amended (Topic Area 54); issuing a draft GL informing licensees of reduced scope of the monthly operating report (Topic Area 58); and forwarding to the Commission recommendations on full implementation of the Integrated Performance Assessment Process (IPAP) (SECY-95-163, "Improvements to the Power Reactor Inspection Program and Implementation of the Integrated Performance Assessment Process") (Topic Area 60). In addition, the staff held public meetings and corresponded with industry working groups, including the Nuclear Energy Institute (NEI), representatives of owners groups, and nuclear power plant licensees, on the implementation of various RRG issues. The staff held a public information meeting on April 11, 1995, to describe the IPAP (Topic Area 60). It held another public workshop on April 13, 1995, to provide additional insights on the benefits that licensees can realize by participating in the CBLA program (Topic Area 12) and the Technical Specification (TS) Improvement Program.

Work to complete the 29 remaining RRG implementation plan items is ongoing. A few of these items (Topic Areas 14, 58, and B) are expected to be completed within the next few months and the majority of the others are estimated to be approximately 50 percent complete. Since the majority of the RRG items has been completed and completion of the remaining items can be assured through broader agency programs, the staff believes that a separate, periodic report to the Commission is no longer necessary. As an example, ongoing tasks for 10 RRG items (Topic Areas 1, 22, 27-33, and 60) can be considered and statused under the agency program related to probabilistic risk assessment (PRA). The "NRC Regulatory Agenda" (NUREG-0936) and NRC's input to the "Unified Agenda of Federal Regulations" provide semiannual information on the status of NRC rulemaking activities. NRR's "Director's Monthly Status Report" and the Work Item Tracking System (WITS) are suitable tools for assuring appropriate management focus on completion of many of the remaining items. The resolution of other items that are within a few months of completion and which are not formally tracked outside of RRG status reporting can be closely monitored by management. The RRG/CBLA Programs Staff will ensure that appropriate NRC line organizations are informed of their responsibility to consider and resolve remaining RRG items and these transfers will be clearly documented. The responsibility to periodically inform the Commission of policy issues that may arise and provide updates on significant efforts as notable progress occurs will also be transferred to the line organizations. Part 2 of Attachment 1 lists each of the ongoing RRG topic areas and summarizes the method by which the staff intends to continue to monitor and resolve them.

The RRG/CBLA Programs Staff was established approximately 2 years ago to coordinate and facilitate the activities of the RRG implementation plan. This group has successfully overseen the institutionalization of the CBLA program in NRR and completion of the majority (59 percent) of the RRG items. Because of the level of completion of the RRG implementation plan items and the existence of broader agency programs and workload monitoring activities, NRR has decided that this staff group is no longer needed. NRR has decided that this group should be disbanded once its responsibilities for overseeing the remaining RRG items are assumed by the NRC line organizations. However, until this occurs, the RRG/CBLA Programs Staff will continue to coordinate, monitor, and facilitate completion of NRC's RRG implementation plan.

In completing the RRG effort and preparing the original implementation plan, the staff identified key areas in which substantive, unnecessary regulatory burden could be reduced for licensees, the staff, or both, without adversely affecting safety at operating plants. These areas were designated as priority 1 in the implementation plan and can lead to significant improvements in regulation of the nuclear industry. Other areas of lesser significance but also having burden reduction potential were designated as priority 2 or priority 3 in the implementation plan.

The original target dates that served as staff goals for implementing the RRG topic area action plans were enclosed in SECY-94-003. In SECY-94-243, and later in SECY-95-089, the staff revised the target schedule dates and action plan tasks for certain RRG implementation plan items. This status report also revises some target dates and tasks. Some of the revised dates are within a few months of the dates given in SECY-95-089, and some target schedule dates have slipped more substantially. Where applicable, the status discussion for each of the priority 1 areas gives the reasons for action plan revisions and for schedular delays of 4 months or more from the dates given in SECY-95-089. Schedular delays of 4 months or more for priority 2 and priority 3 topic areas and action plan changes are also explained.

An update of the RRG implementation plan is provided in Attachment 2. For clarity and to preserve the original and previously revised schedule information, the original dates and action plans have been retained in the updated implementation plan. When action plans were revised since the previous status report (SECY-95-089), the date of the current revision is shown and the changes are described briefly in the "Current Status" column of the plan.

STATUS OF PRIORITY 1 RRG TOPIC AREAS

Since the last status report, four priority 1 RRG topic areas (5, 11, 12, and 13) have been completed. A discussion of these and the status of the 10 ongoing priority 1 topic areas (1, 4, 7, and 27-33) follows. For the 10 ongoing topic areas, information on how the staff will continue to consider and resolve them is also provided. The numbers of topic areas correlate with those in the updated RRG implementation plan in Attachment 2.

Graded Quality Assurance (Topic Area 1) - ONGOING

The staff is working with three volunteer plants (Palo Verde, Grand Gulf, and South Texas) that are developing graded QA implementation methodologies. It has begun to observe how graded QA controls can be applied in the procurement area and has observed the conduct of expert panel activities that are used to determine the relative safety significance of plant equipment.

The staff issued draft guidance for evaluating graded QA programs on July 24, 1995, for NRC staff comment and finalized it for staff use in January 1996. This schedule is 8 months later than previously reported, due largely to the complexity

of developing the staff position in this area, for instance, the use of PRA insights. The use of risk insights to aid in the determination of where and how QA effort should be expended is a significant change from traditional thinking on the application of QA and required considerable deliberation.

NEI has encouraged licensees to implement graded QA. Therefore, the staff needs to continue development of graded QA implementation guidance. The staff's ongoing efforts to develop the implementation guidance are detailed in an action plan that is included in NRR's "Director's Monthly Status Report."

Background information on staff efforts and staff-industry interactions on the development of graded QA methodology were provided on March 10, 1995, in SECY-95-059, "Implementation of Graded Quality Assurance Methodology." The staff plans to update the Commission on activities in this area when this action is complete.

Plan Changes for Security, Quality Assurance, and Emergency Preparedness (10 CFR 50.54(p), (a), and (q) (Topic Areas 13, 3, and 5)

For each of these topic areas, the RRG implementation plan calls for the staff to obtain and consider industry views in the preparation of draft industry guidelines or staff guidance, including acceptance criteria. These guidelines or guidance would inform licensees that they may implement changes to or reduce commitments in their security plans, emergency plans, and QA programs without prior staff review as long as the underlying regulations are met.

10 CFR 50.54(p), Security Plan Changes (Topic Area 13) - COMPLETED

The staff chose to begin with changes to the security plan because those changes seemed to be the most straightforward. In the last status report, the staff stated that it had drafted a GL to provide guidance on changes to security plans that are acceptable without prior staff review. The draft GL was issued for public comment on June 14, 1995. The staff issued final GL 95-08, "10 CFR 50.54(p) Process for Changes to Security Plans Without Prior NRC Approval," on October 31, 1995. Examples of changes that require prior staff review and changes that do not require prior staff review are both included in an enclosure to the GL.

As a consequence of the extensive discussion on the content and format of the guidance leading to the development of the GL, the staff has already assessed the need for rulemaking (Task 4). The staff has determined that the current regulatory process defined in 10 CFR 50.54(p) provides sufficient latitude for licensees to make changes to their security plans without unnecessary interactions with the NRC staff. The staff also concluded that the current process does not pose an unnecessary regulatory burden and that rulemaking is not needed. Based on this determination and the issuance of GL 95-08, Topic Area 13 has been completed.

10 CFR 50.54(a), QA Plan Changes (Topic Area 3) - ONGOING

In the last status report, the staff emphasized its intention to complete and evaluate the graded QA pilot program (Topic Area 1) before assessing the need for guidance on or a change to 10 CFR 50.54(a). Since then, however, on June 8, 1995, NEI submitted a petition proposing that 10 CFR 50.54(a) be revised so that only QA program changes involving an unreviewed safety question or resulting in a change to plant TS need to be reviewed by the NRC before implementation; other changes are considered to be of less significance, requiring no staff review prior to implementation. The staff noticed receipt of the NEI petition in the Federal Register (FR) on September 14, 1995. The notice included several questions for public response relating to the perceived need for the revision. The public comment period expired on November 28, 1995.

The staff met with NEI representatives on August 29 and November 2, 1995, to discuss how 10 CFR 50.59 and the associated industry guidance (NSAC-125, "Guidance for 10 CFR 50.59 Safety Evaluations") would be applied to QA program changes. NEI recommended specific, additional guidance in its response to the FR notice. The staff intends to assess the need for guidance on 10 CFR 50.54(a) after disposition of the NEI petition and as part of its efforts on graded QA (Topic Area 1). An action plan will be developed if additional work is necessary.

The staff's resolution of the NEI petition is being tracked in the "NRC Regulatory Agenda."

10 CFR 50.54(q), Emergency Preparedness Plan Changes (Topic Area 5) - COMPLETED

The activities to prepare guidance or revise 10 CFR 50.54(q) were scheduled for completion by June 1996. This topic area has been inactive to allow the staff to gain experience with the security plan change process described earlier for Topic Area 13.

Utilizing the experience gained to complete Topic Area 13, the staff has assessed the need to prepare guidance to help licensees identify the types of changes they may make to emergency preparedness plans without prior NRC approval, and determined that this guidance is not warranted. The staff routinely reviews licensees' implementation of 10 CFR 50.54(q) as part of its inspection program, and has not noted generic weaknesses in licensees' implementation. Also, no problems with implementing 10 CFR 50.54(q) have been expressed by the industry or the public. Taking into consideration the resources that would be required both on the part of the NRC and externally to develop this guidance, and based on the low potential for significantly reducing regulatory burden associated with changing emergency preparedness plans, the staff has determined that preparation of this guidance is not a wise expenditure of resources and is discontinuing work in this area. Based on this determination, Topic Area 5 has been completed.

Commitment Management (Topic Area 7) - ONGOING

In the RRG implementation plan (SECY-94-003), the staff informed the Commission that for Topic Area 7 it would, if possible, endorse industry guidelines regarding what constitutes a commitment and the types of controls to be placed on changing commitments. Since January 1994 (when SECY-94-003 was issued), the staff has worked closely with NEI as NEI developed industry guidance on commitment management. On June 7, 1995, the staff met publicly with NEI to discuss the insights gained by NRC through observations of the NEI pilot program. At this meeting, NEI agreed to make changes to its guideline to address the staff's comments.

The staff transmitted SECY-95-300, "Nuclear Energy Institute's Guidance Document, 'Guideline for Managing NRC Commitments,'" to the Commission on December 20, 1995. This Commission paper describes the NEI commitment management process and the staff position on management of commitments to the NRC. In a letter dated January 24, 1996, the staff advised NEI that NEI's guidance document is acceptable for use by licensees. The letter to NEI was issued 5 months later than indicated in the last status report because the development and coordination of the staff position took longer than anticipated.

The staff has begun conducting training sessions on managing commitments at resident inspector counterpart meetings in each region and for Headquarters-based project managers, inspectors, and other appropriate personnel. Through

the inspection process, the staff plans to periodically monitor licensee-initiated changes to NRC commitments made either through the implementation of the NEI guidance document or through other licensee processes. The staff is modifying its current inspection procedures regarding inspector follow-up of licensee corrective actions and implementation of commitments to include commitments modified or deleted by licensees. The staff will evaluate the effectiveness of the NEI guidance and reassess the need for rulemaking (Task 2) after gaining experience with its implementation.

Cost-Beneficial Licensing Actions (Topic Areas 11 and 12) - COMPLETED

The staff is continuing to process licensees' CBLA requests. It issued its third semiannual CBLA report to the EDO on July 5, 1995, containing CBLA data from January 1, 1994, through June 20, 1995, and a fourth report on December 28, 1995, with data through December 14, 1995. The staff plans to submit one additional report to the EDO in June 1996. The issuance of this additional report will be tracked in WITS.

Since the last status report, the staff has continued to address licensees at industry workshops and in individual meetings as requested to clarify the information provided in Administrative Letter 95-02, "Cost Beneficial Licensing Actions." In the future, the staff will continue to process CBLA submittals and meet with licensees at their request to discuss CBLA issues. The NRR staff has determined that the CBLA program has become sufficiently institutionalized within the NRC. Topic Areas 11 and 12 are considered to be complete because the CBLA process has become part of the staff's normal process for conducting business.

Agency Plan for PRA (Topic Areas 27-30) - ONGOING

In the last status report, the staff reported that it was developing detailed plans and schedules for performing the regulatory activities outlined in the PRA Implementation Plan (SECY-94-219 and SECY-95-079) and that it would update the plan annually to include lessons learned from completing the plan's elements. SECY-95-280, "Framework for Applying Probabilistic Risk Analysis in Reactor Regulation," was forwarded to the Commission on November 27, 1995. This framework paper outlines the process to be used for developing guidance on using PRA methods in NRC's reactor regulatory activities, including much of the guidance addressed in the RRG implementation plan Topic Areas 27, 28, and 31.

The staff has been concentrating on several areas into which it hopes to expand the use of PRA, including inservice inspection and inservice testing (Topic Area 33), graded QA (Topic Areas 1 and 22), and technical specifications (Topic Area 32). For each of these areas, the staff is drafting (or has drafted) detailed plans under which the type and content of guidance that is needed will be considered. These plans also include the use of pilot studies, as recommended by the RRG under Topic Area 29. Since a separate action plan on 10 CFR 50.59 is under development (see discussion of Topic Area 54 below), the staff has decided to include consideration of the use of PRA in improving licensee reviews and the need for guidance in this area (Topic Area 30) in the 10 CFR 50.59 action plan. The technical specifications pilot effort (PRA Implementation Plan Activity 1.2(8)) and the recent effort to update the Standard Review Plan (NUREG-0800) for technical specifications address Topic Area 32. As they are finalized, the detailed plans will be included in NRR's "Director's Monthly Status Report."

The next annual report on the PRA Implementation Plan status is expected to be forwarded to the Commission by April 1996.

Revise American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code Requirements for Inservice Inspection and Inservice Testing Based on Risk (Topic Area 33) - ONGOING

The RRG recommended that the NRC continue to build consensus in the code committees on the revision of ASME codes and standards governing inservice inspection (ISI) and inservice testing (IST) to incorporate risk-informed techniques. The staff's participation in ASME Code activities is ongoing and the NRC has been sponsoring ASME Research efforts to develop a risk-informed ISI and IST methodology for the past several years.

Staff efforts in this area to date have been successful in spurring the ASME Section XI Committee in the direction of considering revisions to the ISI and IST requirements of the Code to incorporate risk-informed techniques and have stimulated parallel industry efforts (with NEI as the focal point) that are directed at demonstrating, through pilot programs, the practical application of risk-informed techniques to ISI and IST. The staff has been working with NEI and several utilities.

The RRG implementation plan (SECY-94-003) indicated that the goal for completion of this RRG topic is NRC endorsement (via 10 CFR 50.55a) of the edition and addenda of the Code that incorporates risk-informed ISI and IST techniques. Although NRC has some influence through its participation in the consensus standards process, the staff has little control over the pace of the ASME activities and the content of the expected Code revisions. The staff has set an interim goal to one that is more quickly achievable, and for which the staff has more influence over the schedule and will result in an equivalent reduction of unnecessary regulatory burden. The interim goal is the development of application guides, through an industry pilot program, which in the near term, will provide guidance that can be used by licensees to develop ISI/IST programs that utilize risk insights. These application guides will support the development of future regulatory guidance. The staff will continue to participate in ASME Code activities and, in the long term, will endorse the revisions to the Code which provide for the use of risk insights in ISI and IST, as appropriate.

The staff is in the process of preparing detailed action plans for the development of risk-informed ISI and IST programs, under the PRA Implementation Plan, which will be included in NRR's "Director's Monthly Status Report."

COMPLETION OF RRG PRIORITY 2 AND 3 TOPIC AREAS

No priority 2 RRG topic areas were completed since the previous status report (SECY-95-089). However, the action plans for four priority 3 topic areas (8, 9, 10, and 16) have been completed since the last report. A description of the closeout activities for these items follows and should be viewed as the staff's final closeout action.

Definition of Current Licensing Basis (Topic Area 8) - COMPLETED

The staff has completed its reexamination of the definition of "current licensing basis" (CLB) for possible modification and inclusion in 10 CFR Part 50. Although some ambiguity in the definition of CLB exists, the staff believes that minimal, if any, benefit is to be gained by revising the CLB definition (contained in 10 CFR Part 54) or by including the current 10 CFR Part 54 CLB definition in 10 CFR Part 50. Therefore, the staff does not plan on pursuing rulemaking activity on the issue.

In its reexamination of the CLB definition, the staff conferred with the Office of the General Counsel (OGC), which gave its legal opinion on the current definition in a July 20, 1995, memorandum from M. Malsch to W. Russell. In its legal opinion, OGC stated that the regulatory history of the current definition of CLB points in the direction of a broad reading so

as to include all licensee commitments remaining in effect that were made in docketed correspondence, not just those commitments necessary for ensuring compliance with legal requirements and the plant-specific licensing basis. Because licensees have not requested that the definition of CLB be added to 10 CFR Part 50 and the staff believes that the broad interpretation of the current definition is consistent with the commitment change process defined in the NEI guideline, the staff sees no benefit to be gained by revising the definition of CLB or by incorporating it in 10 CFR Part 50. Based on this determination, Topic Area 8 has been completed.

Definition of Design Basis (Topic Area 9) - COMPLETED

In its activities on CLB (Topic Area 8) and commitments (Topic Area 7), the staff reviewed the definition of "design basis" in 10 CFR Part 50 and determined that it was unambiguous and no benefit would be gained by modifying it. The staff's work on commitments did not affect the definition of design basis and since the definition of CLB will not be changed, the current definition of design basis is not affected.

During its examination of Topic Areas 7, 8, and 9, the staff reviewed previous work conducted on design basis, including the work on design-basis reconstitution (SECY-90-365, "Design Document Reconstitution Programs Initiated by Utilities;" NUREG-1397, "An Assessment of Design Control Practices and Design Reconstitution Programs in the Nuclear Power Industry;" and NUMARC 90-12, "Design Basis Program Guidelines") and SECY-94-066, "Evaluation of Issues Discussed in SECY-92-314, 'Current Licensing Basis for Operating Plants.'" In none of the NRC documents, did the staff express a need to change or clarify the definition of design basis, nor has industry requested a change.

Since the staff has not identified a need to further clarify the term design basis as it is used in the regulatory process, Topic Area 9 has been completed.

Definition of Material Alteration (Topic Area 10) - COMPLETED

In the RRG action plan for Topic Area 10, the staff stated that it would propose rulemaking to add a definition of "material alteration" to 10 CFR Part 50; revise the regulations that require a construction permit for material alterations to the facility; or document why rulemaking was not appropriate. As reported in a May 10, 1995, memorandum to the Commission from the EDO, the rulemaking associated with this RRG recommendation has been dropped as part of an interoffice review and prioritization effort.

The decision to drop the rulemaking was based on the lack of need, that is, there was no industry or public interest in the rulemaking and there is little regulatory need to clarify the term "material alteration." The principal regulation affected by the term "material alteration" is 10 CFR 50.23, which states,

> A construction permit for the alteration of a production or utilization facility will be issued prior to the issuance of an amendment of a license, if the application for amendment is otherwise acceptable, as provided in 50.91.

In only one instance has a construction permit been issued before an amendment of an operating license, that is, an amendment to the operating license of a research reactor at the University of Maryland. The material alteration was the complete removal of existing control rods, rod drive mechanisms, core instrumentation, and control room equipment and replacement with those of a different design. The change rendered major portions of the safety analysis inapplicable.

Because of the apparent lack of need and industry or public interest in this topic, the staff determined that rulemaking was not a wise expenditure of staff resources and discontinued work in this area. Therefore, Topic Area 10 has been completed.

Revise 10 CFR Part 73, "Physical Protection of Plants and Materials," to Be More Performance Based (Topic Area 16) - COMPLETED

The RRG recommended in this area that the staff consider the feasibility of revising 10 CFR Part 73 to make it more performance based, although noting that the staff needed to gain more experience with the proposals for revising 10 CFR Part 73 which were then current. Consequently, this item was in an inactive status while the staff gained experience with the implementation of other RRG items related to security, resolution of a differing professional view, and other staff initiatives.

Since the last status report, NRR senior management has reevaluated this item and determined that the resources required to revise 10 CFR Part 73 to recast the prescriptive sections of the regulations into a more performance-based approach are prohibitive. In addition, work has already been undertaken to revise those sections of 10 CFR Part 73 which have resulted in inconsistencies in implementation. Therefore, further revision does not appear to be warranted at this time. On the basis of this determination, Topic Area 16 has been completed.

SCHEDULE CHANGES FOR PRIORITY 2 AND PRIORITY 3 TOPIC AREAS

Since the last status report (SECY-95-089), the action plans for several priority 2 and priority 3 RRG topic areas have been changed. In addition, for several topic areas, the target dates have been revised, reflecting a delay of 4 months or more from the dates given in the last status report. A discussion of the action plan and schedule changes, and information on how the staff will continue to consider and resolve these ongoing topic areas is provided below.

Fitness for Duty (Topic Areas 18, 19, and 20) - ONGOING

Provisions to extend audit frequency from one year up to 3 years on the basis of performance (Topic Area 18), provisions to allow annual submittals of fitness-for-duty performance data instead of semiannual submittals (Topic Area 19), and information on fitness-for-duty lessons learned have, for reasons of staff efficiency, been included as a small part of a proposed, extensive 10 CFR Part 26 rulemaking. The date for publishing the proposed rule was previously reported as May 1995, with the final rule to be published in April 1996. Evaluation of the need for an information notice (Topic Area 20) was scheduled for June 1995.

The schedule for issuing the draft and final versions of the rule has been revised to reflect additional time needed to resolve staff comments at the draft rule stage. The new draft proposed rule was forwarded to the Commission on October 31, 1995 (SECY-95-262, "Proposed Amendments to the Fitness-For-Duty (FFD) Rule"), and was scheduled to be issued for public comment in December 1995. This is on hold, however, pending completion of Commission review of SECY-95-262. The final rule has been rescheduled to be issued in December 1996, an 8-month extension (since the last status report) in the schedule for completing Topic Areas 18 and 19. The schedule for completing Topic Area 20 is on hold pending Commission review of SECY-95-262.

Information on the status of completion of the 10 CFR Part 26 rulemaking is being reported in the "NRC Regulatory Agenda." The development of the information notice (or other appropriate guidance) will be assigned to NRR staff for consideration after the draft 10 CFR Part 26 rulemaking package is complete. If development of additional guidance is warranted, the staff will develop an action plan and include it in NRR's "Director's Monthly Status Report."

Decommissioning (Topic Areas 37 and 38) - ONGOING

On July 20, 1995, the decommissioning rule was published for public comment (Topic Area 37). The proposed rule redefines the decommissioning process, reduces burdens on the licensee and the NRC, and provides greater opportunities for the public to be informed about decommissioning activities. The public comment period expired on October 18, 1995, and on October 25, 1995, for the states. Due to the 3-month delay in publishing the draft rule, the 90-day comment period on the draft, and the concurrence process taking longer than previously anticipated, the schedule for issuing the final rule has been extended 7 months until May 1996. NRR provides significant support to the Office of Nuclear Regulatory Research (RES), which is responsible for completion of the rulemaking. Information on the status of the rulemaking is reported in the "NRC Regulatory Agenda." In addition, it is being tracked in NRR's "Director's Monthly Status Report."

The staff previously reported that it would revise Regulatory Guide (RG) 1.86, "Termination of Nuclear Reactor Licenses," regarding decommissioning plans to be consistent with the revised decommissioning rule, 10 CFR 50.82 (Topic Area 38). The proposed rulemaking has changed substantially since it was begun and now there is no longer a need to issue RG 1.86 with the rule. The NRR staff, however, believes that new guidance regarding the type of information to be included in the post-shutdown activities report (PSDAR) should be issued. RES has not allocated resources to this task due to higher priority work. Therefore, the NRR staff has assumed the lead on this topic area and is developing a plan and schedule for developing and issuing the new guidance, which will be included in NRR's "Director's Monthly Status Report."

Rulemaking (Topic Area 42) - ONGOING

In the action plan for Topic Area 42, the staff stated that rulemaking would be promulgated to provide for a more expeditious handling of petitions for rulemaking that would eliminate inefficient regulations and reduce unnecessary regulatory burden. Proposed changes to 10 CFR 2.802 were published for public comment on March 28, 1995, and the final revisions were scheduled to be issued in July 1995. The staff received extensive comments supporting the concept behind the proposed rulemaking but indicating that rulemaking was not the most appropriate regulatory vehicle for expediting the agency's handling of petitions for rulemaking. Consequently, the staff has reevaluated the need for the rule change, giving consideration to what alternative regulatory vehicles could be used to give guidance on the scope and level of detail of supporting information that should be submitted with petitions for rulemaking so that they can be expeditiously processed.

The staff has developed a revised course of action whereby rulemaking would be terminated and guidance would be included in an appropriate guidance document. This was communicated in a memorandum from the EDO to the Commission on December 5, 1995. The schedule for completing Topic Area 42 based on the revised course of action is being prepared. Information on the status of this rulemaking is included in the "NRC Regulatory Agenda." RES is responsible for any follow-on work under the revised course of action.

Training and Staffing (Topic Area 51) - ONGOING

One of the objectives of the RRG was to determine if information in Commission policy statements was being treated as requirements. In GL 82-12, "Nuclear Power Plant Staff Working Hours," the staff informed licensees that the provisions of the Commission's Policy Statement on Nuclear Plant Working Hours should be included in their TS. Therefore, in this instance, the policy statement was treated as a requirement. The staff previously reported that it was resolving this topic area by preparing a GL that would inform licensees that plant TS could be amended to remove requirements on working hours. It reported that it expected to issue the draft GL in May 1995.

Rather than preparing a separate GL allowing this line-item improvement, for efficient utilization of staff resources, the staff has included this item in a larger effort to prepare a GL that will include a number of other TS line-item improvements that are largely administrative in nature. Because of other higher priority work, such as the review of licensees' requests to convert to improved standard technical specifications, the staff does not expect to have this broader-scope draft GL available for CRGR review before the end of March 1996. Consequently, the draft GL would be published for public comment 1 to 2 months after CRGR review and the final GL would be issued approximately 6 months later. The schedule for completing Topic Area 51 has, therefore, been extended 12 months. In the interim, however, license amendments are being processed to modify the requirements on working hours inserted in their TS as a result of GL 82-12.

NRR is responsible for completing this GL, which is being tracked in NRR's "Director's Monthly Status Report."

Technical Specifications (Topic Area 54) - ONGOING

The staff previously reported that by September 1995, it would review and endorse NSAC-125, "Guidance for 10 CFR 50.59 Safety Evaluations," or develop and promulgate staff guidance separately (Task 2 of the action plan for this topic area). Shortly after the last status report was completed, the staff determined that endorsement of NSAC-125 was inappropriate because of inconsistencies between the document and the requirements of 10 CFR 50.59.

Taking into consideration the results of activities on commitment management and the definition of CLB (Topic Areas 7 and 8, respectively), and the reevaluation of 10 CFR 50.59 requested by the Chairman, the NRR staff expects to finalize an action plan addressing the implementation of 10 CFR 50.59 and related issues, such as the development of regulatory guidance regarding the implementation of 10 CFR 50.59. Under this action plan, the staff expects to review its previously issued guidance on implementation of the 10 CFR 50.59 process, including generic letters, inspection procedures, guidance the NRC provides to its inspectors, and information used in inspector training at the NRC, to determine the extent to which this information is internally consistent and identify areas where the guidance may need to be amended. As necessary, the action plan will include development and issuance of more definitive guidance. The finalized action plan, which is expected to be completed over a period of 18 to 36 months (depending on whether the regulatory guidance is issued as a RG or whether a rule change is deemed to be necessary), will be forwarded to the Commission for information. As a short-term approach, interim staff guidance is being prepared.

Task 3 involved evaluation of the implementation and adequacy of 10 CFR 50.71(e) and integration with the results of Temporary Instruction (TI) 2515-112, "Licensee Evaluations of Changes to the Environs Around Licensed Reactor Facilities." In a September 5, 1995, memorandum to F. Miraglia, the staff provided a summary of the TI 2515-112 inspection findings, the staff's evaluation, and conclusions. In this memorandum, the staff concluded that additional regulatory requirements are not necessary to ensure that FSARs (Chapter 2) are updated to reflect changes in site environs. In addition, as a part of its evaluations for Topic Areas 8 and 9, the staff concluded that 10 CFR 50.71(e)

is adequate. However, recent events have called into question licensees' implementation of 10 CFR 50.71(e) and their compliance with FSAR commitments. As a result of these new insights, the staff will be assessing licensee implementation of and adherence to the commitments contained in the FSAR.

Since Tasks 1 and 3 of the RRG implementation plan have already been completed, completion of Topic Area 54 depends on bringing Task 2 to conclusion. The schedule for completion will be developed in conjunction with the 10 CFR 50.59 action plan and included in NRR's "Director's Monthly Status Report."

Cycle-Specific Parameter Limits in Technical Specifications (Topic Area 55) - ONGOING

The RRG recommendations in this topic area are to provide quicker reviews of computer codes that calculate core reload parameters and revision of current TS to permit licensees to use later versions of approved core topical reports to take advantage of improved analytical techniques and computational methods without the need for submitting license amendments. The last RRG status report included a revised action plan directed at issuing three guidance documents. Since then, it has been necessary for the staff to alter its approach to and schedule for addressing the RRG recommendations in this area as discussed below.

The action plan in the last RRG status report included development and issuance of a supplement to GL 88-16, "Core Operating Limits Report (COLR) Guidance" (Tasks 1 and 4) that was to inform licensees that the current references to the approved methodology reports could be removed from the administrative controls section of the TS and placed in the COLR. (TS currently list the approved reload methodologies by title, date, revision, or other specific identifiers.) Topical reports for revised reload analysis methodologies, subsequently approved by the NRC, could then be used on a plant-specific basis without requiring a license amendment. OGC raised legal objections to the staff's proposed supplement to GL 88-16, since it believed that the proposed approach would inappropriately circumvent public participation that is afforded during the license amendment process. As a consequence, the staff terminated this effort and has deleted the related tasks from the action plan.

The action plan contained in the previous status report also included the development and issuance of a new RG that was to provide staff recommendations on the technical content of a topical report (qualification report) describing a new core reload analysis methodology (Tasks 2 and 5). The staff planned this effort to shorten the lengthy review and approval process that usually accompanies a licensee topical report submittal describing a new, unreviewed methodology. In addition, the staff expected that a licensee, by complying with the criteria in the RG, could eliminate the need to submit a topical report qualifying its use of a previously approved vendor methodology. During initial review of the draft RG, NRR management decided that staff resources could be better applied in preparing a supplement to GL 83-11, "Licensee Qualification for Performing Safety Analyses in Support of Licensing Actions," (discussion follows), to incorporate the recommendations in the proposed RG. This decision was based largely on the determination that licensees do not usually develop their own reload analysis methodologies but perform their reload analyses using existing, approved generic methodologies developed by others. In addition, the cost of producing the RG would be high, and the benefit to be derived was perceived to be minimal. Therefore, this effort has also been terminated and the associated tasks have been deleted from the action plan.

Tasks 3 and 6 in the previous version of the action plan were to develop and issue a supplement to GL 83-11 at the same time as the development of the proposed RG described previously. Although the RG has been abandoned, the staff is continuing its efforts to supplement GL 83-11. The draft GL supplement was published for public comment on October 25, 1995. In the FR notice on the availability of the draft GL supplement for public review, the staff solicits public comments on the concept of expanding the approach to include a less time-consuming process by which licensees and vendors could improve their analysis methods and obtain NRC approval. The public comment period expired on December 11, 1995.

Since the concurrence process for the draft supplement to GL 83-11 took longer than expected and additional time was added to accomplish the CRGR review before the final supplement is issued, the revised action plan now shows that the staff expects to issue the final supplement in September 1996, 4 months later than last reported. NRR is responsible for completing this GL supplement, which is being tracked in NRR's "Director's Monthly Status Report."

Reduced Scope of Monthly Operating Report (Topic Area 58) - ONGOING

In the last status report, the action plan for this item was revised to show that the staff would issue guidance on the scope of the monthly operating report in a GL, rather than revising RG 1.16, "Reporting of Operating Information--Appendix A Technical Specifications." The staff stated that it had determined that a GL would meet the same objectives as revising the RG, require less resources, and take less time. The schedule given for issuing the draft GL was June 1995 and was October 1995 for issuing the final.

The draft GL, "Revised Contents of the Monthly Operating Report," was issued for a 30-day public comment period on August 18, 1995. Due to the extent of public comments received, the staff has only recently completed its analysis of the comments. Because of the delay in issuing the draft GL, the time needed to analyze the public comments, and in consideration of other priority workload, the staff has extended the schedule for issuing the final GL to March 1996, a delay of 5 months from the schedule given in the last status report.

With the assistance of the Office for Analysis and Evaluation of Operational Data staff, NRR is responsible for completing this GL, which is being tracked in NRR's "Director's Monthly Status Report."

Revision of Regulatory Guides for Consistency With Revised 10 CFR Part 20 (Topic Area E) - ONGOING

The public comment period for the proposed revision to RG 8.13, "Instruction Concerning Prenatal Radiation Exposure," ended on March 17, 1995. SECY-95-089 stated that the staff expected to issue the final version of this guide in September 1995. The nature of the public comments received on the draft guide requires an extensive rewrite, which is not yet complete. This is due primarily to the diversion of staff resources to higher priority tasks (rulemakings). It is now expected that the issuance of the guide will be delayed until June 1996, 9 months later than previously projected. Issuance of the final, revised RG 8.29, "Instruction Concerning Risks from Occupational Radiation Exposure," has also been delayed due to competing workload, but is expected to be issued in February 1996. With the issuance of these two revised RGs, Topic Area E will be completed. RES is responsible for completing both items.

SUMMARY:

The staff has updated the RRG implementation plan of SECY-94-003 to reflect the activities and achievements since the last status report (SECY-95-089) was sent to the Commission (see Attachment 2). Of the 39 items remaining after the previous report, 10 items were completed during the past 9 months and progress was achieved on many of the others.

Despite the staff's best efforts, several items have experienced completion delays. Some action plans and schedules have been revised to reflect changes in direction and other priority workload. NRR has also instituted more frequent internal management briefings on the status of remaining RRG items in an effort to identify and correct potential schedular impacts earlier. This effort helped to minimize the number and extent of schedular delays.

Because of the level of completion of the RRG implementation plan items (59 percent of the items are completed and the remaining items are estimated to be approximately 50 percent complete), and the existence of broader agency programs and workload monitoring activities, NRR has decided that the RRG/CBLA Programs Staff should be disbanded and its oversight responsibilities formally transferred to appropriate NRC line organizations. Until this occurs, the RRG/CBLA Programs Staff will continue to coordinate, monitor, and facilitate completion of NRC's RRG implementation plan.

This is the last semiannual status report on the implementation of the RRG recommendations. However, I will continue to apprise the Commission of any policy issues or notable progress resulting from the staff's ongoing activities for the 29 topic areas that have not yet been completed. The staff will use existing tracking mechanisms, such as the "NRC Regulatory Agenda" (NUREG-0936), NRR's "Director's Monthly Status Report," and WITS, as well as close management oversight, to monitor resolution of these topic areas.

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Attachments:
1. Completed and Ongoing RRG Implementation Plan Items (as of 1/96)
2. Updated RRG Implementation Plan