

December 29, 1998

FOR: The Commissioners
FROM: William D. Travers /s/
 Executive Director for Operations
SUBJECT: ANNUAL STATUS REPORT ON LICENSING ACTIONS, FISCAL YEAR 1998

PURPOSE:

To inform the Commission of the status for fiscal year (FY) 1998 of Office of Nuclear Reactor Regulation (NRR) licensing actions⁽¹⁾ and of NRR's progress in meeting age goals for the licensing action inventory.

BACKGROUND:

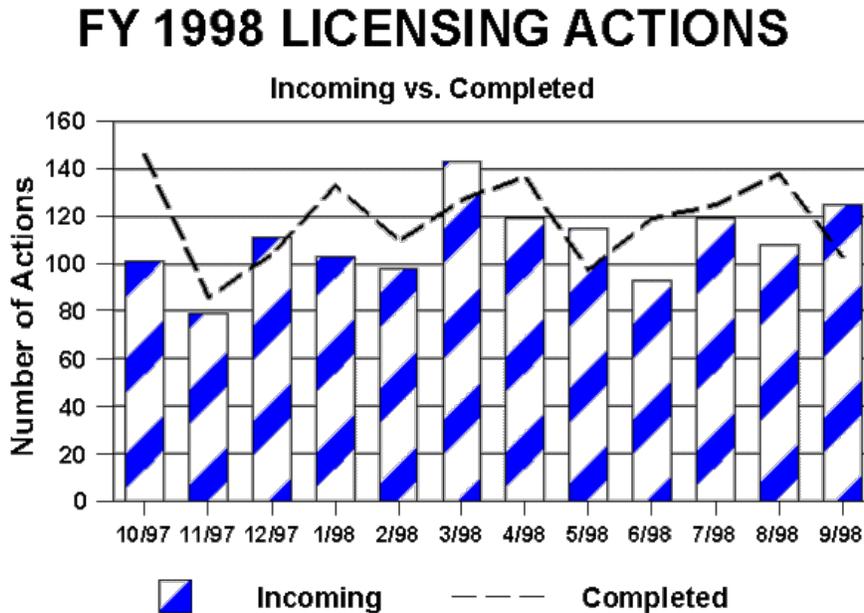
As discussed in the June 9, 1989, memorandum to the Commission, "Operating Reactor Licensing Actions and Technical Specifications Improvements," NRR established goals to control the size of the licensing action inventory and to improve its responsiveness to licensees' requests for license amendments. The maximum inventory level was set at an average of 25 licensing actions per plant (110 x 25 = 2750). The goal for responsiveness to licensees' licensing action requests was set as follows: 80 percent of the licensing actions in the inventory were to be 1 year old or less; 95 percent were to be 2 years old or less; and all licensing actions were to be 3 years old or less. The NRC's FY 1998 Reactor Licensing Operating Plan goal for the licensing action inventory was lowered to a maximum of 1500; however, the age goal remained unchanged. The inventory size and age goals are also part of the NRC's Performance Plan, which will be incorporated into the NRC's FY 2000 budget to Congress (Green Book). The licensing action inventory goals for FY 1999 and FY 2000 are 1000 and 700 licensing actions, respectively, and a new age goal of 95 percent of licensing actions 1 year old or less and all licensing actions 2 years old or less will be effective in FY 2000.

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DISCUSSION:

The licensing action inventory decreased about 11 percent in FY 1998 to 1113 licensing actions, about the same number as at the end of FY 1996. Figure 1 shows the number of licensing actions completed compared to the number requested each month in FY 1998. Figure 2 puts the FY 1998 data into historical perspective.

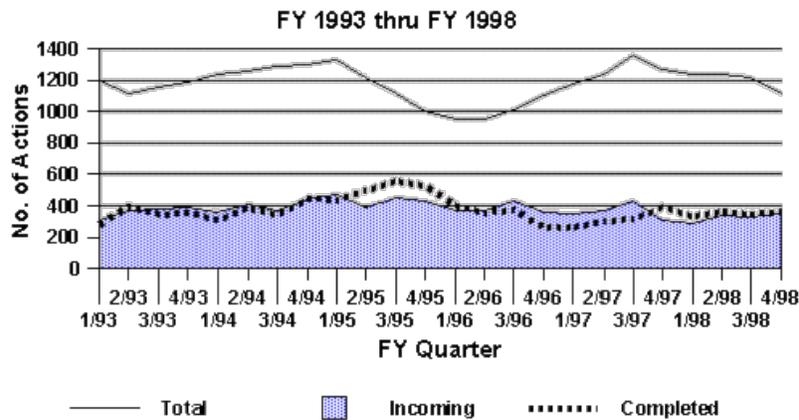
FIGURE 1



Source: WISP, 10/14/98

FIGURE 2

LICENSING ACTION TRENDS



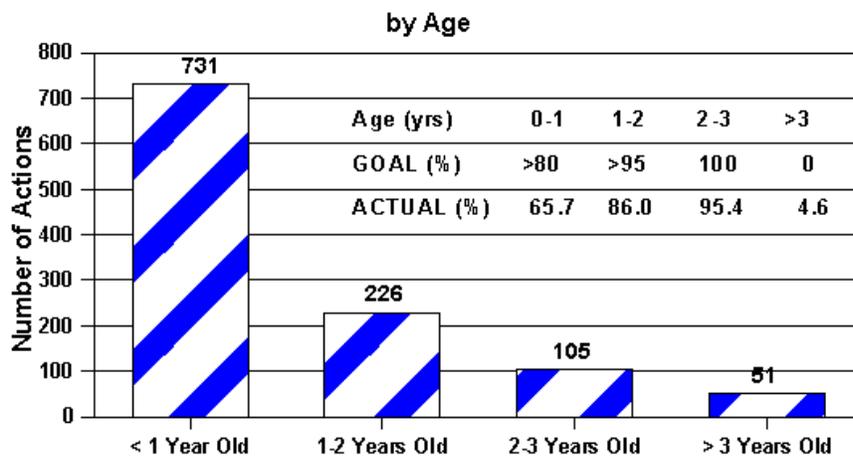
Source: WISP, 10/14/98

In FY 1995, NRR initiated a successful effort to reduce the size of the licensing action inventory. However, in FY 1996, the inventory increased because a significant number of staff were shifted to assignments on higher priority licensing tasks, such as oversight of issues at the Millstone and Maine Yankee plants, AP600 design certification technical review, and reviewing responses to safety-significant generic letters and bulletins. Also, significant resources were provided for reviewing conversions to the improved Standard Technical Specifications (ISTS). Each conversion to the ISTS (which is counted as one licensing action) requires about 20 times more staff hours than are expended for the average non-conversion licensing action. From mid-FY 1997 through FY 1998, the inventory decreased markedly. Several factors contributed to that decrease. One factor was the shift back of the staff from assignment to the other higher priority licensing tasks. Another factor was licensee participation in the NRC's iSTS Program. By the end of FY 1998, a total of 22 ISTS conversions (representing 36 reactors) had been completed. For those plants that have completed the conversion process, the number of licensing action requests has started to decline. However, over the next several years it is anticipated that licensee requests for risk-informed technical specification changes may offset the reduction in licensing action requests due to ISTS conversions.

Although NRR has not yet achieved its goal with regard to responsiveness to licensing action requests, efforts have continued toward reaching the goal. At the end of FY 1991, 11 percent of the licensing action inventory was more than 3 years old. In FY 1992, NRR conducted a detailed analysis of the oldest licensing actions and initiated actions to reduce their number. Figure 3 shows the number of licensing actions in each age category in FY 1998. Figure 4 further illustrates the aging of the licensing action inventory. In FYs 1996 and 1997, the median age rose about 2.7 months. That increase in age can be attributed to the same reasons as those given for the increase in inventory size (i.e., shifting resources to other higher priority tasks). In mid-FY 1998, NRR initiated an effort to reduce the number of older licensing actions. The result of that effort can be seen in the decrease in median age in FY 1998. NRC's current budget provides increased resources for completing licensing actions. Efficiency gains in FY 1999 are expected as NRR continues to work with Arthur Andersen on recommendations for areas for licensing action process improvements. NRR is actively working with an industry working group to address issues on improvements to the licensing action process. The additional resources, together with improved efficiency in the licensing action process and emphasis on completing the older licensing actions, should result in NRR meeting both the inventory size goal (700 licensing actions) and the inventory age goals (95 percent of licensing actions 1 year old or less and all licensing actions 2 years old or less) by the end of FY 2000.

FIGURE 3

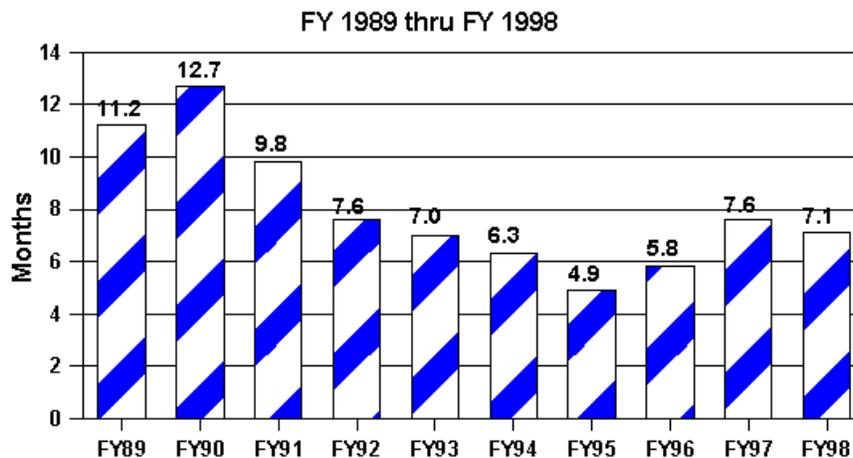
FY 1998 LICENSING ACTION AGE



Source: WISP, 10/14/98

FIGURE 4

MEDIAN AGE OF LICENSING ACTIONS



Source: WISP, 10/14/98

SUMMARY:

The number and age of licensing actions in the inventory decreased in FY 1998. At this time, the size and age of the inventory remains manageable overall, as well as on a per-plant basis. Sufficient resources have been allocated to licensing actions, and along with process improvements should ensure that all high-priority, safety-significant licensing actions will be completed in a timely manner. Increased emphasis on addressing older licensing actions, together with resource increases in the current budget, will allow NRR to meet the Performance Plan goal for inventory size in FY 1999 and FY 2000 and the new goal for inventory age in FY 2000.

The NRC's current Performance Plan includes output measures for each fiscal year for items discussed in this annual report (licensing actions completed per year, size of licensing action inventory, and age of licensing action inventory). These items are also tracked in the Reactor Licensing Operating Plan and are reported quarterly to the Program Review Committee. Also, starting with FY 1999, the Performance Plan results will be reported in accordance with the Government Performance and Results Act. Therefore, in an effort to eliminate duplicate reporting, this will be the last annual status report on licensing actions.

COORDINATION: The Office of the Chief Financial Officer has reviewed this Commission paper for resource implications and has no objections.

William D. Travers
Executive Director for Operations

1. * In this paper, "licensing actions" refers to those requests from operating reactor licensees (such as license amendments, reliefs, exemptions, or license renewals) that require review and approval by the staff before they may be implemented by the licensee.