

Draft Regulatory Analysis

DRAFT REGULATORY ANALYSIS

Proposed Modifications to 10 CFR 50.72, "Immediate notification,"
and 10 CFR 50.73, "Licensee event report system"

(March 1999)

STATEMENT OF THE PROBLEM

The Nuclear Regulatory Commission is proposing to amend the event reporting requirements for nuclear power reactors in 10 CFR 50.72 and 50.73 to: (1) update the current rules, including reducing or eliminating the reporting burden associated with events of little or no safety significance and (2) better align the rules with the NRC's current needs, including revising reporting requirements based on importance to risk and extending the required reporting times consistent with the need for prompt NRC action.

Experience with the current rules has indicated they are in need of change to update the current rules in several areas. For example, there is a need to reduce or eliminate the reporting burden associated with events of little or no safety significance; the proposed amendments would eliminate reporting insignificant design problems. There is a need to better align the rules with the NRC's current needs; the proposed rules would extend some required initial reporting times to be more consistent with the actual need for prompt NRC action. There is a need to obtain information better related to risk; the proposed amendments would revise the current requirement to report actuation of any engineered safety feature (ESF) to: (1) reduce reporting for systems and/or events with minimal risk significance, and (2) increase consistency of reporting for systems of greater risk significance.

OBJECTIVES

The objectives of the proposed amendments are as follows:

- (1) To better align the reporting requirements with the NRC's current reporting needs. An example is extending the required initial reporting times, consistent with the need for timely NRC action.
- (2) To reduce the reporting burden, consistent with the NRC's reporting needs. An example is reducing or eliminating the reporting burden associated with events of little or no safety or risk significance, provided reporting is not otherwise needed to support NRC regulatory programs.
- (3) To clarify the reporting requirements where needed. The principal example is clarifying which events involving design or analysis defects or deviations must be reported.

ALTERNATIVES

The only reasonable alternative to the proposed action that has been identified is to take no action.

CONSEQUENCES

1. *Status Quo*

This is the base case. The incremental values and impacts for the base case are zero. However, maintaining the status quo would result in continued submittal of the some reports that the NRC has now identified as unneeded.

2. *Proposed Action*

The one-time implementation costs to licensees are estimated to be about 70 hours per reactor for revising procedures and about 130 hours per reactor for training. This yields an estimated burden increase of about 21,000 hours, or about 200 hours per reactor for 104 operating reactors.

A key benefit of the proposed amendments would be a reduction in the recurring annual reporting burden on licensees, as a result of reducing the efforts associated with reporting events of little or no risk or safety significance. Based on a review of past reports, the proposed amendments are expected to result in about 200 fewer telephone notifications per year under 10 CFR 50.72 and about 400 fewer written licensee event reports (LERs) per year under 10 CFR 50.73. It is estimated that licensees expend 1.5 hours per telephone notification and 50 hours per LER for the events involved. This yields an estimated recurring annual burden reduction of about 20,000 hours per year industry-wide, or about 200 hours per reactor per year.

The NRC's one-time implementation cost for rulemaking, from March 1999 forward, is estimated to be about 3 full time equivalents (FTE). This yields an estimated cost of about 4000 direct hours.

The NRC's recurring annual review efforts for telephone notifications under 10 CFR 50.72 would not be significantly reduced because the operations officer and daily event screening systems would remain about the same. However, it is estimated the NRC's cost for reviewing LERs would be reduced by about 5 hours per LER for the LERs involved. This yields an estimated recurring annual cost reduction of about 2000 hours per year.

The estimated changes in cost or burden have been discounted to present value using a 7-percent real discount rate⁽¹⁾ and 20-year plant life, summed, and rounded to 2 significant digits. The results, in terms of hours, are presented in Table 1. The same results, converted to dollars at a value of about \$71 per hour are presented in Table 2⁽²⁾.

Table 1

Estimated Changes in Cost or Burden in Terms of Hours			
	One time implementation costs	Recurring annual costs	Net effect (present value)
Changes in industry costs	+21,000	-20,000	-190,000
Changes in NRC costs	+4,000	-2,000	-17,000

Table 2

Estimated Changes in Cost or Burden in Terms of Dollars			
	One time implementation costs	Recurring annual costs	Net effect (present value)
Changes in industry costs	+\$1,500,000	-\$1,400,000	-\$14,000,000
Changes in NRC costs	+\$280,000	-\$140,000	-\$1,200,000

DECISION RATIONALE

The benefits of the proposed action, in terms of reduced recurring annual costs, outweigh the one-time implementation costs.

1. A real discount rate of 7 percent was used, as specified in OMB Circular A-94. Use of a more realistic 3-percent real discount rate would not change the basic conclusion. It would make the proposed action appear more attractive because the benefits, which are in the future, would have a greater present value.

2. NUREG/BR/1084, "Regulatory Analysis Technical Evaluation Handbook," January 1997, Page 5.55, provides a value of \$67.50 per hour in 1996 dollars for NRC technical personnel. (Those involved in rulemaking and reviewing LERs would be technical personnel.) This includes allowances for benefits, management and secretarial support. This would translate into about \$71 per hour in current dollars. The same figure would be appropriate for licensee technical personnel who would be involved in procedure writing, training and reporting.