

# RULEMAKING ISSUE NOTATION VOTE

August 30, 2010

SECY-10-0117

FOR: The Commissioners

FROM: R. W. Borchardt  
Executive Director for Operations

SUBJECT: PROPOSED RULE: REQUIREMENTS FOR MAINTENANCE OF  
INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA  
(RIN 3150-AI77)

PURPOSE:

The purpose of this paper is to request Commission approval to publish for public comment a proposed rulemaking that would amend requirements related to verification of nuclear power plant construction activities through inspections, tests, analyses, and acceptance criteria (ITAAC) under a combined license.

SUMMARY:

The U.S. Nuclear Regulatory Commission (NRC) staff seeks Commission approval of proposed amendments to the regulations in Title 10 of the *Code of Federal Regulations* (10 CFR) 52.99, "Inspection during construction," related to verification of nuclear power plant construction activities through ITAAC under a combined license. Specifically, the staff proposes new provisions that apply after a licensee has completed an ITAAC and submitted an ITAAC closure letter. The new provisions would require licensees to (1) report new information materially altering the basis for determining that a prescribed inspection, test, or analysis was performed as required, or finding that a prescribed acceptance criterion is met, (2) document the basis for all ITAAC notifications, and (3) notify the NRC of completion of all ITAAC activities.

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In addition, the staff proposes corrections to existing language in 10 CFR 2.340, “Initial decision in certain contested proceedings; immediate effectiveness of initial decisions; issuance of authorizations, permits, and licenses,” and 10 CFR 52.99 to correct errors and clarify ambiguous language and to make it consistent with language in the Atomic Energy Act of 1954, as amended (AEA).

#### BACKGROUND:

When the Commission first issued 10 CFR Part 52, “Licenses, Certifications, and Approvals for Nuclear Power Plants” (54 FR 15371; April 18, 1989), it included 10 CFR 52.99 to make it clear that the inspection carried out during construction under a combined license would be based on ITAAC proposed by the applicant, approved by the staff, and incorporated in the combined license. At that time, the Commission made it clear that, although 10 CFR 52.99 envisioned a “sign-as-you-go” process, in which the NRC staff would sign off on inspection units and notice of the staff’s sign-off would be published in the *Federal Register*, the Commission itself would make no findings on construction until construction was complete.

In 2007, the Commission revised 10 CFR Part 52 to enhance the NRC’s regulatory effectiveness and efficiency in implementing its licensing and approval processes (72 FR 49351; August 28, 2007). In that revision, the NRC amended 10 CFR 52.99 to require licensees to notify the NRC that the prescribed inspections, tests, and analyses in the ITAAC have been completed and that the acceptance criteria have been met. The revision also requires that these notifications contain sufficient information to demonstrate that the prescribed inspections, tests, and analyses have been performed and that the prescribed acceptance criteria have been met. The NRC added this requirement to ensure that combined license applicants and holders were aware that it was the licensee’s burden to demonstrate compliance with the ITAAC and the NRC expected the notification of ITAAC completion to contain more information than just a simple statement that the licensee believes the ITAAC had been completed and the acceptance criteria met.

The notifications currently required by 10 CFR 52.99(c)(1) perform two functions, as discussed in the supplementary information for the 2007 final rule amending 10 CFR Part 52 (72 FR 49352; August 28, 2007, at 49450 (second column)). First, the notifications alert the NRC to the licensee’s completion of the ITAAC<sup>1</sup> and ensure that the NRC has sufficient information to complete all of the activities necessary for the Commission to find whether all of the ITAAC acceptance criteria have been or will be met before initial operation (the “will be met” finding is relevant to any hearing on ITAAC under 10 CFR 52.103, “Operation under a combined license”). Second, the notifications ensure that interested persons will have access to information on both completed and uncompleted ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing on acceptance criteria.

After completing the 2007 rulemaking, the staff began developing guidance on the ITAAC closure process and the requirements under 10 CFR 52.99. In October 2009, the NRC issued regulatory guidance for the implementation of the revised 10 CFR 52.99 in Regulatory Guide (RG) 1.215, “Guidance for Closure Under 10 CFR Part 52.” This regulatory guide endorsed

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<sup>1</sup> In this discussion, the phrases “completion of the ITAAC” and “ITAAC completion” mean that the licensee has determined that (1) the prescribed inspections, tests, and analyses were performed and (2) the prescribed acceptance criteria are met.

guidance developed by the Nuclear Energy Institute (NEI) in NEI 08-01, "Industry Guideline for the ITAAC Closure Process Under 10 CFR Part 52," Revision 3, issued January 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090270415).

After considering information presented by industry representatives in a series of public meetings, the staff realized that some additional implementation issues were left unaddressed by the various provisions in 10 CFR Part 52. In particular, the staff determined that the combined license holder should provide additional notifications to the NRC following the notification of ITAAC completion currently required by 10 CFR 52.99(c)(1). The staff refers to the time after this ITAAC closure notification but before the date the Commission makes the finding under 10 CFR 52.103(g) as the "ITAAC maintenance period."

Since mid-2008, the staff has held numerous meetings that have discussed the topic of ITAAC maintenance. In SECY-09-0119, "Staff Progress in Resolving Issues Associated with Inspections, Tests, Analyses, and Acceptance Criteria," dated August 26, 2009, the staff informed the Commission of its progress in resolving issues concerning ITAAC maintenance and reporting, including the threshold for notification of events that may result in the acceptance criteria of successfully completed ITAAC no longer being satisfied. That paper described new types of notifications that licensees may make to the NRC to address instances when licensee activities affect previously completed ITAAC after the licensee submits an ITAAC closure letter to the NRC. The staff stated in the paper that it planned to propose that the Commission supplement 10 CFR Part 52 to include additional notification requirements to address ITAAC maintenance. The staff reiterated its plans to propose rulemaking on ITAAC maintenance in a September 22, 2009, Commission meeting on this topic.

More recently, the staff held two public meetings in March 2010 to discuss draft proposed rule text that it made available to the public in February 2010. The staff considered feedback from external stakeholders during those meetings in its development of this proposed rule. In addition, NEI submitted written comments on the staff's plans to amend 10 CFR 52.99 in a letter dated April 29, 2010 (ADAMS Accession No. ML101300103), reiterating many of the comments made by NEI representatives in the March 2010 public meetings. To maintain the schedule for this proposed rulemaking, the staff responded to NEI on June 21, 2010 (ADAMS Accession No. ML101590526) by requesting that it resubmit those written comments from its letter that NEI believes are applicable to the published proposed rule number. At that time, the NRC staff will address NEI's comments, as part of the NRC's response to all of the comments received by the NRC on the proposed rule.

In parallel with the discussions on the draft proposed rule, NEI has been revising its ITAAC closure guidance in NEI 08-01 to address the topic of ITAAC maintenance. On July 16, 2010, NEI submitted Revision 4 of NEI 08-01 for NRC review and endorsement (ADAMS Accession No. ML102010076). The staff is reviewing this latest revision of NEI 08-01 and expects to issue a revision to RG 1.215 for public comment, endorsing NEI 08-01 and providing any necessary clarifications, by the end of 2010.

As stated in the Commission's staff requirements memorandum (SRM) SRM-M091208, dated January 13, 2010, the staff considered how the concept of aggregate impact may apply to this proposed rule. Consistent with the staff's plans to address aggregate impacts in rulemaking, the staff has had significant interaction with external stakeholders during development of the

proposed rule and on draft guidance to support the rule. The staff plans to issue draft regulatory guidance shortly after publication of the proposed rule. In addition, in March 2010, the staff issued Inspection Procedure 40600, "Licensee Program for ITAAC Management," that provides guidance to verify licensees have implemented ITAAC maintenance programs to ensure that structures, systems, and components continue to meet the ITAAC acceptance criteria until the Commission makes the finding under 10 CFR 52.103(g) allowing operation. The staff expects that all guidance necessary to implement this rule will be available at the time that the final rule becomes effective.

This rule is not expected to result in any aggregate impact in implementation because the rule's requirements apply during construction only and do not affect combined license issuance. In addition, prospective licensees that would be subject to the new requirements will have significant exposure to them well before the time the requirements will become effective and, therefore, will have adequate time to determine how to implement the rule. Finally, the issues involving ITAAC maintenance are fundamental to the process for the Commission's finding under 10 CFR 52.103(g), so the staff does not have latitude in determining the implementation period of the rule. Therefore, the staff concludes that no additional action to address the concept of aggregate impact is necessary.

#### DISCUSSION:

The staff proposes the following new notifications after ITAAC closure:

- Notification of new information on ITAAC closure
- Supplemental ITAAC closure notification
- All ITAAC complete notification

In general, the reasons for these proposed new notifications are analogous to the reasons presented in the 2007 rulemaking for the existing 10 CFR 52.99(c) notifications: to ensure that the NRC has sufficient information, in light of new information developed or identified after the ITAAC closure notification under 10 CFR 52.99(c)(1), to complete all of the activities necessary for the Commission to make a finding on ITAAC, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing. The following sections of this paper describe each of the proposed notification and documentation requirements in this rulemaking, and the bases for each of the proposed requirements.

#### Notification of New Information on ITAAC Closure

The licensee is responsible for maintaining the validity of the ITAAC conclusions after completion of the ITAAC. If the ITAAC determination basis is *materially altered*, the staff believes that the licensee should be required to notify the NRC. Through public workshops and stakeholder interaction, the NRC has developed thresholds to identify when activities would materially alter the basis for determining that a prescribed inspection, test, or analysis was performed as required, or finding that a prescribed acceptance criterion is met (the "ITAAC determination basis"). One obvious case is that proposed 10 CFR 52.99(c)(3)(i) would require a notification to correct a material error or omission in the original ITAAC closure letter.

Section 52.6, "Completeness and accuracy of information," paragraph (a), requires that information provided to the Commission by a licensee be complete and accurate in all material respects. However, it might be the case that the original closure notification was complete and accurate when sent, but subsequent events materially alter the ITAAC determination bases. Also, a material error or omission might not be discovered until after the ITAAC closure notification is sent. It is possible that new information materially altering the ITAAC determination bases would not rise to the reporting threshold under 10 CFR 52.6(b). As required by 10 CFR 52.6(b), licensees must notify the Commission of information identified by the licensee as having, for the regulated activity, a significant implication for public health and safety or the common defense and security.

Given the primary purpose of ITAAC—to verify that the plant has been constructed and will be operated in compliance with the approved design—the NRC believes that it cannot rely on the provisions in 10 CFR 52.6 for licensee reporting of new information materially altering the ITAAC determination bases. The reasons for this conclusion are as follows:

1. Material errors and omissions in ITAAC closure notifications, relevant to the accuracy and completeness of the documented bases for the Commission's finding on ITAAC, may nonetheless be determined in isolation by a licensee as not having a significant implication for public health and safety or common defense and security.
2. A Commission finding of compliance with acceptance criteria in the ITAAC is required, under Section 185.b of the AEA, in order for the combined license holder to commence operation.
3. The addition of specific reporting requirements addressing information relevant and material to the ITAAC finding ensures that NRC will get the necessary reports as a matter of regulatory requirement, and allows the NRC to determine the timing and content of these reports so that they serve the regulatory needs of the NRC.

Therefore, the staff recommends requiring that such issues will be reported under proposed 10 CFR 52.99(c)(3)(i). In addition to the reporting of material errors and omissions, the staff has identified other circumstances in which reporting under this provision would be required (i.e., reporting thresholds). The staff described these reporting thresholds in SECY-09-0119 and discusses them at a high level in Section IV of Enclosure 1.

Proposed 10 CFR 52.99(c)(3)(i) would require licensees to notify the NRC of new information materially altering the basis for determining that an inspection, test, or analysis was performed as required, or finding that an acceptance criterion is met. Licensees would be required to notify the NRC no later than 7 days after the licensee has determined that the new information materially alters the ITAAC determination basis. The purpose of this initial notification would be to alert the NRC staff responsible for oversight of construction inspection activities to the fact that additional activities may be scheduled that affect a structure, system, or component (including physical security hardware) or program element for which one or more ITAAC have been closed. This would allow the NRC inspection staff to discuss the licensee's plans for resolving the issue and determine if the staff wants to observe any of the upcoming activities for the purpose of making a future staff determination about whether the acceptance criteria for those ITAAC continue to be met.

Supplemental ITAAC Closure Notification

The second new notification is contained in proposed 10 CFR 52.99(c)(3)(ii). When making the 10 CFR 52.103(g) finding, the Commission must have information sufficient to determine that the relevant acceptance criteria are met despite the new information supplied in the notification under 10 CFR 52.99(c)(3)(i). The licensee's concise statement of the bases for resolving the issue, which was the subject of the new information notification, discussion of any action taken, and a list of the key licensee documents supporting the resolution and its implementation, would assist the NRC in making its independent evaluation of the issue. Apart from the NRC's use of the information, the staff also believes that making this information available to the public is necessary to ensure that interested persons will have sufficient information to review when preparing a request for a hearing under 10 CFR 52.103, comparable to the information provided under 10 CFR 52.99(c)(1), as described in the statements of consideration for the 2007 10 CFR Part 52 rulemaking (72 FR 49352; August 28, 2007).

Accordingly, the staff proposes that, after a licensee makes a new information notification under 10 CFR 52.99(c)(3)(i), it be required to submit what is essentially a resolution notification to the NRC in the form of a supplemental ITAAC closure letter. This supplemental ITAAC closure notification, described in proposed 10 CFR 52.99(c)(3)(ii), would require the licensee to submit a written notification of the resolution of the circumstances that prompted the 10 CFR 52.99(c)(3)(i) new information notification. The supplemental ITAAC closure letter must contain sufficient information demonstrating that, notwithstanding the information that prompted the 10 CFR 52.99(c)(3)(i) notification, the prescribed inspections, tests, and analyses have been performed as required and the prescribed acceptance criteria are met. Supplemental ITAAC closure letters should explain the need for the supplemental letter, outline the resolution of the issue, and confirm that the ITAAC acceptance criteria continue to be met. Supplemental ITAAC closure letters must include a level of detail similar to the level of information required in initial ITAAC closure letters under 10 CFR 52.99(c)(1).

The staff proposes that the supplemental ITAAC closure letter be submitted within 30 days after licensee resolution of the issue. The staff selected the 30-day period as a reasonable compromise between the competing goals of prompt notification and the recognition that documentation of the resolution may be quite extensive, depending on the significance and number of activities necessary for the licensee to resolve the issue. The staff proposes that NRC receipt of the notification be published in the *Federal Register*, at least until the last date for submission of requests for hearing, under proposed 10 CFR 52.99(e)(1). In addition, the staff proposes that the notification be available for public review under proposed 10 CFR 52.99(e)(2). These proposed requirements would ensure public availability and accessibility of all NRC information on ITAAC closure.

Events that affect completed ITAAC could involve activities that include, but are not limited to, maintenance and engineering, program, or design changes. The staff expects that licensees will carry out these activities under established programs to maintain ITAAC conclusions and that no supplemental notification will be necessary in most instances. The NRC can have confidence that prior ITAAC conclusions are maintained as long as the ITAAC determination bases established by the original ITAAC closure letter are not materially altered. If the ITAAC determination bases are not materially altered, licensee activities will remain below the notification threshold of 10 CFR 52.99(c)(3)(i). If the ITAAC determination bases are materially altered, the licensee would be required to notify the NRC under 10 CFR 52.99(c)(3)(i) and

document resolution of the issue in a supplemental ITAAC closure letter under 10 CFR 52.99(c)(3)(ii). In either event, the NRC requires that records documenting the licensee's activities be available at the plant site for NRC review, to comply with proposed 10 CFR 52.99(c)(4), as discussed further in this paper.

#### All ITAAC Complete Notification

The third new notification that the staff is proposing is the all ITAAC complete notification under 10 CFR 52.99(f)(1). The purpose of this notification is to facilitate the required Commission finding under 10 CFR 52.103(g) that the acceptance criteria in the combined license are met. After or concurrent with the last ITAAC closure letter required by 10 CFR 52.99(c)(1), the licensee would be required to notify the NRC that all ITAAC are complete. At the time the licensee submits the all ITAAC complete notification, the staff would expect that all activities requiring supplemental ITAAC closure letters have been completed and that the associated ITAAC determination bases have been updated.

However, the staff recognizes that construction and operational readiness activities will continue even after the licensee submits the all ITAAC complete notification, and that these activities could result in new information that may materially alter the bases for a finding on acceptance criteria under 10 CFR 52.103(g). The staff understands that prospective licensees expect to complete the last ITAAC very close to the scheduled date for fuel load, and expect the Commission to make the 10 CFR 52.103(g) finding on acceptance criteria shortly thereafter. The NRC's regulatory processes should be structured so that the Commission is able to make a timely 10 CFR 52.103(g) finding that meets all applicable legal standards and is accorded a high level of public confidence. To achieve these objectives, the staff is proposing provisions in 10 CFR 52.99(f)(2) to address a situation where issues occur after submission of the all ITAAC complete notification. This proposed provision requires that if, after filing the all ITAAC complete notification, the licensee identifies new information material to the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met, the licensee must determine whether that information materially alters the basis for the ITAAC determination such that notification would be required under 10 CFR 52.99(c)(3)(i) of this section. If that is the case, the licensee must make the necessary notification within 24 hours of identification of the new information. At this time, the staff would be preparing to make, or may have already made, its recommendation to the Commission in support of the Commission finding under 10 CFR 52.103(g). This prompt notification would be required to ensure that the staff has the most accurate information on which to base its recommendation to the Commission and that the Commission has the most current and accurate information on which to base its finding. The proposed requirement is intended to keep the Commission informed of information material to the finding required under 10 CFR 52.103(g) without being impractical to implement or unduly burdensome.

Note that the staff is proposing to seek specific comment on the time frame for the prompt notification following submittal of the all ITAAC complete notification. The staff believes that 24 hours is a reasonable amount of time for licensees to evaluate whether new information determined to be material to ITAAC closure will, upon further consideration, materially alter the ITAAC determination basis, given the importance of ensuring that the Commission has complete and accurate information at the time it is determining whether the acceptance criteria in the combined license are met. However, because neither the NRC nor the nuclear power

industry have any experience with making these determinations, the staff is interested in feedback on whether its proposal is reasonable.

After making the 24-hour notification, the licensee would be required to submit any supplemental ITAAC closure notification required under 10 CFR 52.99(c)(3)(ii) and to resubmit the all ITAAC complete notification under 10 CFR 52.99(f)(1) to verify that it has no outstanding ITAAC issues. The purpose of this proposed requirement is to ensure that the NRC staff has the most current information on ITAAC closure and that the licensee reaffirms its conclusion that the acceptance criteria for all ITAAC are met before the NRC staff makes (or reiterates) its recommendation to the Commission in support of the 10 CFR 52.103(g) finding.

#### ITAAC Closure Documentation

In proposed 10 CFR 52.99(c)(4), the staff is adding a provision that would require licensees to maintain records of the bases for determining whether a notification of new information on ITAAC closure under 10 CFR 52.99(c)(3)(i) is required and records of the bases for all notifications required under 10 CFR 52.99(c). Because of the dynamic nature of onsite construction activities and the relatively long period of time from the start of construction until completion, conditions and bases for ITAAC closure could change after notification is made to the NRC under 10 CFR 52.99(c)(1). In addition to supplemental ITAAC closure notifications made under 10 CFR 52.99(c)(3)(ii), the licensee will need to maintain records to reflect changed conditions that do not rise above the threshold that would require a supplemental notification under 10 CFR 52.99(c)(3) (e.g., like-for-like replacement of a component identified in an ITAAC that does not otherwise rise above the reporting thresholds described in the section-by-section analysis for 10 CFR 52.99(c)(3)) (Section III of Enclosure 1). This proposed requirement would ensure that all documentation related to ITAAC closure would be maintained and available for NRC inspection to support the staff's determination about whether the licensee properly performed ITAAC inspections, tests, and analyses and whether the acceptance criteria are met.

The staff proposes to require licensees to retain the records required under proposed 10 CFR 52.99(c)(4) for 5 years after the date the Commission makes the finding under 10 CFR 52.103(g). Although the ITAAC are no longer regulatory requirements after the Commission makes the finding under 10 CFR 52.103(g), a retention period beyond that date is necessary to support enforcement actions related to compliance with ITAAC requirements. The staff is proposing a 5-year retention period because it accords with the statute of limitations for civil penalties found in 28 U.S.C. 2462.

#### Additional Conforming Changes to 10 CFR 52.99

The staff is also proposing several editorial changes to 10 CFR 52.99(b), (c)(1), (c)(2), and (d)(1). In all of these cases, the staff is proposing to replace the phrase "acceptance criteria have been met" with the phrase "acceptance criteria are met" for consistency with the wording of the requirement in 10 CFR 52.103(g) on the Commission's ITAAC finding, which is derived directly from Section 185.b of the AEA. In addition, the staff is proposing an editorial change to 10 CFR 52.99(d)(2) to replace the phrase "ITAAC has been met" with the phrase "prescribed acceptance criteria are met" for consistency with the wording in 10 CFR 52.99(d)(1).

Conforming Changes to 10 CFR 2.340

The proposed rule contains an associated correction to the language in 10 CFR 2.340(j). The NRC substantially revised 10 CFR 2.340 as part of the 2007 10 CFR Part 52 rulemaking to set forth (among other things) the circumstances under which the Commission may make a finding on acceptance criteria under Section 189.b of the AEA and 10 CFR 52.103(g). The staff's interactions with external stakeholders on ITAAC identified an error in the language of this section. The introductory language of 10 CFR 2.340(j) incorrectly describes the Commission's finding under 10 CFR 52.103(g) as a finding that the acceptance criteria in a combined license "have been, or will be met." This phrase actually describes the finding that a presiding officer makes only with respect to contested matters involving ITAAC in a hearing under 10 CFR 52.103; the presiding officer's finding does not negate the need for the Commission (or appropriate office director, if the Commission chooses to delegate this authority) to make the overall finding on acceptance criteria as required by Section 189.b of the AEA and 10 CFR 52.103(g). Accordingly, the proposed rule contains a correcting change to 10 CFR 2.340(j) to accurately describe the Commission's finding under 10 CFR 52.103(g) as a finding that the acceptance criteria "are met."

In addition to correcting this error, the staff proposes to expand the language of 10 CFR 2.340(j) to (1) more clearly distinguish between adjudicatory findings on contentions (contested matters) with respect to ITAAC and the overall Commission finding on acceptance criteria under Section 189.b of the AEA and 10 CFR 52.103(g), and (2) describe in more detail what findings on ITAAC must be made, depending on whether there are contested ITAAC or not.

COMMITMENT:

Following publication of the proposed rule, the staff will issue draft regulatory guidance for public comment to describe an acceptable method to implement the requirements of this rule.

RECOMMENDATIONS:

The staff recommends that the Commission do the following:

1. Approve for publication in the *Federal Register* the enclosed notice of proposed rulemaking (Enclosure 1).
2. Note the following:
  - a. The proposed rule will be published in the *Federal Register* for a 75-day comment period (Enclosure 1).
  - b. A draft regulatory analysis has been prepared for this proposed rulemaking (Enclosure 2).
  - c. The Chief Counsel for Advocacy of the Small Business Administration will be informed of the certification and the reasons for it, as required by the Regulatory Flexibility Act (5 U.S.C. 605(b)).
  - d. The staff has determined that this action is not a "major rule," as defined in the Congressional Review Act of 1996 (5 U.S.C. 804(2)), and has confirmed this

determination with the Office of Management and Budget (OMB). The staff will inform the appropriate congressional and Government Accountability Office contacts.

- e. The appropriate congressional committees will be informed.
- f. The Office of Public Affairs will issue a press release when the proposed rulemaking is filed with the Office of the Federal Register.
- g. OMB review is required. The staff will submit a clearance package to OMB electronically on or immediately after the date the proposed rule is published in the *Federal Register*.

#### RESOURCES:

Estimated resource needs of 1 full-time equivalent (FTE) position are included in the fiscal year (FY) 2010 budget and 1.1 FTE in the FY 2011 President's Budget as identified below. FY 2012 resources will be addressed through the planning, budget, and performance management process.

OFFICE	FY 2010	FY 2011	FY 2012
Office New Reactors Office	.6 FTE	.8 FTE	.1 FTE
Office of General Counsel	.4 FTE	.1 FTE	
Office Administration		.1 FTE	
Office of Information Systems		.1 FTE	.1 FTE

#### COORDINATION:

The Office of the General Counsel has no legal objection to this paper. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections. The Advisory Committee on Reactor Safeguards has deferred its review of this rulemaking until the final rule stage. The rule suggests changes in information collection requirements that must be submitted to OMB on or immediately after the date the proposed rule is published in the *Federal Register*.

***/RA by Martin J. Virgilio for/***

R. W. Borchardt  
Executive Director  
for Operations

#### Enclosures:

1. *Federal Register* Notice
2. Regulatory Analysis

**NUCLEAR REGULATORY COMMISSION**

**10 CFR Parts 2 and 52**

**RIN 3150-AI77**

**NRC-2010-0012**

**Requirements for Maintenance of Inspections,  
Tests, Analyses, and Acceptance Criteria**

**AGENCY:** U.S. Nuclear Regulatory Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is proposing to amend its regulations related to verification of nuclear power plant construction activities through inspections, tests, analyses, and acceptance criteria (ITAAC) under a combined license. Specifically, the NRC is proposing new provisions that apply after a licensee has completed an ITAAC and submitted an ITAAC closure notification. The new provisions would require licensees to report new information materially altering the basis for determining that a prescribed inspection, test, or analysis was performed as required, or finding that a prescribed acceptance criterion is met; to document the basis for all ITAAC notifications; and to notify the NRC of completion of all ITAAC activities. In addition, the NRC is proposing editorial corrections to existing language in the NRC's regulations to correct and clarify ambiguous language and make it consistent with language in the Atomic Energy Act of 1954, as amended (AEA).

**DATES:** Submit comments on this proposed rule by **[INSERT DATE 75 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]**. Submit comments on the information collection aspects on this proposed rule by **[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]**. Comments received after the above dates will be considered if it

is practical to do so, but assurance of consideration cannot be given to comments received after these dates.

**ADDRESSES:** Please include Docket ID **NRC-2010-0012** in the subject line of your comments.

You may submit comments by any one of the following methods

**Federal Rulemaking Web site:** Go to <http://www.regulations.gov> search for documents filed under Docket ID **NRC-2010-0012**. Address questions about NRC dockets to Carol Gallagher 301-492-3668; e-mail [Carol.Gallagher@nrc.gov](mailto:Carol.Gallagher@nrc.gov).

**Mail comments to:** Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, ATTN: Rulemakings and Adjudications Staff.

**E-mail comments to:** [Rulemaking.Comments@nrc.gov](mailto:Rulemaking.Comments@nrc.gov). If you do not receive a reply e-mail confirming that we have received your comments, contact us directly at 301-415-1677.

**Hand deliver comments to:** 11555 Rockville Pike, Rockville, Maryland 20852, between 7:30 a.m. and 4:15 p.m. Federal workdays. (Telephone 301-415-1677).

**Fax comments to:** Secretary, U.S. Nuclear Regulatory Commission at 301-415-1101. You may submit comments on the information collections by the methods indicated in the Paperwork Reduction Act Statement.

See Section VI, Availability of Documents, for instructions on how to access NRC's Agencywide Documents Access and Management System (ADAMS) and other methods for obtaining publicly available documents related to this action.

**FOR FURTHER INFORMATION CONTACT:** Ms. Nanette V. Gilles, Office of New Reactors, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001; telephone at 301-415-1180; e-mail [Nanette.Gilles@nrc.gov](mailto:Nanette.Gilles@nrc.gov).

## **SUPPLEMENTARY INFORMATION:**

- I. Submitting Comments
- II. Background
- III. Discussion
  - A. Licensee Programs That Maintain ITAAC Conclusions
  - B. Additional ITAAC Notifications and Documentation
  - C. Conforming Changes to 10 CFR 2.340
- IV. Section-by-Section Analysis
- V. Guidance
- VI. Specific Request for Comments
- VII. Availability of Documents
- VIII. Plain Language
- IX. Agreement State Compatibility
- X. Voluntary Consensus Standards
- XI. Environmental Impact – Categorical Exclusion
- XII. Paperwork Reduction Act Statement
- XIII. Regulatory Analysis
- XIV. Regulatory Flexibility Act Certification
- XV. Backfitting and Issue Finality

### **I. Submitting Comments**

Comments submitted in writing or in electronic form will be posted on the NRC Web site and on the Federal rulemaking Web site <http://www.regulations.gov>. Because your comments will not be edited to remove any identifying or contact information, the NRC cautions you against including any information in your submission that you do not want to be publicly disclosed.

The NRC requests that any party soliciting or aggregating comments received from other persons for submission to the NRC inform those persons that the NRC will not edit their comments to remove any identifying or contact information, and therefore, they should not include any information in their comments that they do not want publicly disclosed.

## II. Background

The Commission first issued Title 10 of the *Code of Federal Regulations* (10 CFR) Part 52, "Licenses, Certifications, and Approvals for Nuclear Power Plants," on April 18, 1989; 54 FR 15371. Section 52.99, "Inspection during construction," was included to make it clear that the NRC's inspection carried out during construction under a combined license would be based on ITAAC proposed by the applicant, approved by the NRC staff, and incorporated in the combined license. At that time, the Commission made it clear that, although 10 CFR 52.99 envisioned a "sign-as-you-go" process in which the NRC staff would sign off on inspection units and notice of the staff's sign-off would be published in the *Federal Register*, the Commission itself would make no findings with respect to construction until construction was complete. See 54 FR 15371; April 18, 1989; at 15383 (second column).

On August 28, 2007 (72 FR 49351), the Commission revised 10 CFR Part 52 to enhance the NRC's regulatory effectiveness and efficiency in implementing its licensing and approval processes. In that revision, the NRC amended 10 CFR 52.99 to require licensees to notify the NRC that the prescribed inspections, tests, and analyses in the ITAAC have been completed and that the acceptance criteria have been met. The revision also requires that these notifications contain sufficient information to demonstrate that the prescribed inspections, tests, and analyses have been performed and that the prescribed acceptance criteria have been met. The NRC added this requirement to ensure that combined license applicants and holders were aware that it was the licensee's burden to demonstrate compliance with the ITAAC and the

NRC expected the notification of ITAAC completion to contain more information than just a simple statement that the licensee believes the ITAAC had been completed and the acceptance criteria met.

Under Section 185.b of the Atomic Energy Act of 1954, as amended (AEA) and 10 CFR 52.97(b), a combined license for a nuclear power plant (a “facility”) must contain those ITAAC that are “necessary and sufficient to provide reasonable assurance that the facility has been constructed and will be operated in conformity with” the license, the AEA, and NRC regulations. Following issuance of the combined license, Section 189.b of the AEA and 10 CFR 52.99(e) require that the Commission “ensure that the prescribed inspections, tests, and analyses are performed.” Finally, before operation of the facility, Section 189.b and 10 CFR 52.103(g) require that the Commission find that the “prescribed acceptance criteria *are met*” (emphasis added). This Commission finding will not occur until construction is complete, near the date for scheduled initial fuel load.

As currently required by 10 CFR 52.99(c)(1), the licensee must submit ITAAC closure notifications containing “sufficient information to demonstrate that the prescribed inspections, tests, and analyses have been performed and that the associated acceptance criteria have been met.” These notifications perform two functions. First, they alert the NRC to the licensee’s completion of the ITAAC<sup>1</sup> and ensure that the NRC has sufficient information to complete all of the activities necessary for the Commission to determine whether all of the ITAAC acceptance criteria have been or will be met (the “will be met” finding is relevant to any hearing on ITAAC under 10 CFR 52.103) before initial operation. Second, they ensure that interested persons will have access to information on both completed and uncompleted ITAAC at a level of detail

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<sup>1</sup> In this discussion, the phrases “completion of ITAAC” and “ITAAC completion” mean that the licensee has determined that: (1) the prescribed inspections, tests, and analyses were performed, and (2) the prescribed acceptance criteria are met.

sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing on acceptance criteria. See 72 FR 49352; August 28, 2007, at 49450 (second column).

After completing the 2007 rulemaking, the NRC began developing guidance on the ITAAC closure process and the requirements under 10 CFR 52.99. In October 2009, the NRC issued regulatory guidance for the implementation of the revised 10 CFR 52.99 in Regulatory Guide (RG) 1.215, "Guidance for ITAAC Closure Under 10 CFR Part 52." This RG endorsed guidance developed by the Nuclear Energy Institute (NEI) in NEI 08-01, "Industry Guideline for the ITAAC Closure Process Under 10 CFR Part 52," Revision 3, issued January 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090270415).

After considering information presented by industry representatives in a series of public meetings, the NRC realized that some additional implementation issues were left unaddressed by the various provisions in 10 CFR Part 52. In particular, the NRC determined that the combined license holder should provide additional notifications to the NRC following the notification of ITAAC completion currently required by 10 CFR 52.99(c)(1). The NRC refers to the time after this ITAAC closure notification, but before the date the Commission makes the finding under 10 CFR 52.103(g), as the ITAAC maintenance period. Most recently, the NRC held two public meetings in March 2010 to discuss draft proposed rule text that it made available to the public in February 2010. The NRC considered feedback given from external stakeholders during those meetings in its development of this proposed rule. Finally, in March 2010, the NRC issued Inspection Procedure 40600, "Licensee Program for ITAAC Management," that provides guidance to verify licensees have implemented ITAAC maintenance programs to ensure that structures, systems, and components continue to meet the ITAAC acceptance criteria until the Commission makes the finding under 10 CFR 52.103(g) allowing operation.

### III. Discussion

In brief, the NRC is proposing the following new notifications subsequent to ITAAC closure:

- Notification of new information on ITAAC closure
- Supplemental ITAAC closure notification
- All ITAAC complete notification

In general, the reasons for these proposed new notifications are analogous to the reasons presented in the 2007 rulemaking for the existing 10 CFR 52.99(c) notifications (i.e., to ensure that the NRC has sufficient information, in light of new information developed or identified after the ITAAC closure notification under 10 CFR 52.99(c)(1) to complete all of the activities necessary for the Commission to make a determination on ITAAC, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing). Each of the proposed notification and documentation requirements in this rulemaking, and the basis for each of the proposed requirements, are described in Section III.B, “Additional ITAAC Notifications and Documentation,” of this document.

The NRC is also proposing several editorial changes to 10 CFR 52.99 in paragraphs (b), (c)(1), (c)(2), and (d)(1). In all of these cases, the NRC is proposing to replace the phrase “acceptance criteria have been met” with the phrase “acceptance criteria are met” for consistency with the wording of the requirement in 10 CFR 52.103(g) on the Commission’s ITAAC finding, which is derived directly from wording in the AEA.

In addition, the NRC is proposing an editorial change to 10 CFR 52.99(d)(2) to replace the phrase “ITAAC has been met” with the phrase “prescribed acceptance criteria are met” for consistency with the wording in 10 CFR 52.99(d)(1).

#### A. Licensee Programs That Maintain ITAAC Conclusions

One essential element in ensuring the maintenance of successfully completed ITAAC involves the use of established licensee programs such as the Quality Assurance Program, Problem Identification and Resolution Program, Maintenance/Construction Program, and Design and Configuration Management Program. Each program credited with supporting the maintenance of completed ITAAC should contain attributes that maintain the validity of the ITAAC determination basis. These program attributes include the following:

- Licensee screening of activities and events for impact on ITAAC;
- Licensee determination of whether supplemental ITAAC notification is required; and
- Licensee supplement of the ITAAC closure package as appropriate to demonstrate that the acceptance criteria continue to be met.

The NRC expects these programs to be fully implemented and effective before the licensee takes credit for them as an appropriate means of supporting ITAAC maintenance. These programs will be subject to NRC inspection.

#### B. Additional ITAAC Notifications and Documentation

The NRC's confidence in the licensee's ability to maintain the validity of completed ITAAC conclusions relies on timely communication. Currently, 10 CFR 52.99 specifies two ITAAC notification requirements for licensees. These notifications are the ITAAC closure notification required by 10 CFR 52.99(c)(1) and the notification of uncompleted ITAAC required by 10 CFR 52.99(c)(2) no less than 225 days before scheduled fuel load. The NRC believes that additional formal notifications to the NRC are needed that are not currently required by regulation.

##### *Notification of New Information on ITAAC Closure*

The first new notification is contained in proposed 10 CFR 52.99(c)(3)(i), "New information on ITAAC closure," and would require licensees to notify the NRC of new

information materially altering the basis for determining that an inspection, test, or analysis was performed as required, or finding that an acceptance criterion is met (referred to as the *ITAAC determination basis*). The notification must be made no later than 7 days after the licensee has determined that the new information materially alters the ITAAC determination basis.

The purpose of this initial notification would be to alert the NRC staff responsible for oversight of construction inspection activities to the fact that additional activities may be scheduled that affect a structure, system, or component (including physical security hardware) or program element for which one or more ITAAC have been closed. This will allow the NRC inspection staff to discuss the licensee plans for resolving the issue to determine if the staff wants to observe any of the upcoming activities for the purpose of making a future staff determination about whether the acceptance criteria for those ITAAC continue to be met.

The licensee is responsible for maintaining the validity of the ITAAC conclusions after completion of the ITAAC. If the ITAAC determination basis is materially altered, the licensee is expected to notify the NRC. Through public workshops and stakeholder interaction, the NRC has developed thresholds to identify when activities would materially alter the basis for determining that a prescribed inspection, test, or analysis was performed as required, or finding that a prescribed acceptance criterion is met. One obvious case is that a notification under proposed paragraph (c)(3)(i) would be required to correct a material error or omission in the original ITAAC closure notification.

Section 52.6, "Completeness and accuracy of information," paragraph (a), requires that information provided to the Commission by a licensee be complete and accurate in all material respects. However, it might be the case that the original closure notification was complete and accurate when sent, but subsequent events materially alter the ITAAC determination bases. Also, a material error or omission might not be discovered until after the ITAAC closure notification is sent. It is possible that new information materially altering the ITAAC

determination bases would not rise to the reporting threshold under 10 CFR 52.6(b). As required by 10 CFR 52.6(b), licensees must notify the Commission of information identified by the licensee as having, for the regulated activity, a significant implication for public health and safety or the common defense and security. Given the primary purpose of ITAAC—to verify that the plant has been constructed and will be operated in compliance with the approved design—the NRC believes that it cannot rely on the provisions in 10 CFR 52.6 for licensee reporting of new information materially altering the ITAAC determination bases. The reasons for this conclusion are as follows:

1. Material errors and omissions in ITAAC closure notifications, relevant to the accuracy and completeness of the documented bases for the Commission's finding on ITAAC, may nonetheless be determined in isolation by a licensee as not having a significant implication for public health and safety or common defense and security.
2. A Commission finding of compliance with acceptance criteria in the ITAAC is required, under Section 185.b of the AEA, in order for the combined license holder to commence operation.
3. The addition of specific reporting requirements addressing information relevant and material to the ITAAC finding ensures that NRC will get the necessary reports as a matter of regulatory requirement, and allows the NRC to determine the timing and content of these reports so that they serve the regulatory needs of the NRC.

Therefore, the NRC intends that these issues will be reported under 10 CFR 52.99(c)(3)(i). In addition to the reporting of material errors and omissions, the NRC has identified other circumstances in which reporting under this provision would be required (i.e., reporting thresholds). These reporting thresholds are described in more detail in the Section IV,

“Section-By-Section Analysis,” of this document.

*Supplemental ITAAC Closure Notification*

After receiving the new information notification under proposed 10 CFR 52.99(c)(3)(i), the NRC’s interest in the circumstances requiring that notification would not end. When making the 10 CFR 52.103(g) finding, the NRC must have information sufficient to determine that the relevant acceptance criteria are met despite the new information provided in the notification under paragraph (c)(3)(i). The licensee’s summary statement of the basis for resolving the issue, which was the subject of the new information notification, a discussion of any action taken, and a list of the key licensee documents supporting the resolution and its implementation, would assist the NRC in making its independent evaluation of the issue. Apart from the NRC’s use of the information, the NRC also believes that public availability of such information is necessary to ensure that interested persons will have sufficient information to review when preparing a request for a hearing under 10 CFR 52.103, comparable to the information provided under paragraph (c)(1), as described in the statement of consideration for the 2007 Part 52 rulemaking. See August 28, 2007; 72 FR 49352, at 49384 (second and third column). Accordingly, the NRC proposes that after a licensee makes a new information notification under paragraph (c)(3)(i), it must then submit what is essentially a “resolution” notification to the NRC in the form of a supplemental ITAAC closure notification. This supplemental ITAAC closure notification, described in proposed paragraph (c)(3)(ii), would require the licensee to submit a written notification of the resolution of the circumstances that prompted the paragraph (c)(3)(i) new information notification. The supplemental ITAAC closure notification must contain sufficient information demonstrating that, notwithstanding the information that prompted the paragraph (c)(3)(i) notification, the prescribed inspections, tests and analyses have been performed as required and the prescribed acceptance criteria are met. Supplemental ITAAC closure notifications should explain the need for the supplemental notification, outline the

resolution of the issue, and confirm that the ITAAC acceptance criteria continue to be met. Supplemental ITAAC closure notifications must include a level of detail similar to the level of information required in initial ITAAC closure notifications under 10 CFR 52.99(c)(1).

The NRC proposes that the 10 CFR 52.99(c)(3)(ii) notification be made within 30 days after licensee resolution of the issue. The NRC selected the 30-day period as a reasonable compromise between the competing goals of prompt notification and the recognition that documentation of the resolution may be quite extensive, depending on the significance and number of activities necessary for the licensee to resolve the issue. The NRC proposes that NRC receipt of the notification be published in the *Federal Register*, at least until the last date for submission of requests for hearing, under proposed paragraph (e)(1). In addition, the NRC proposes that the notification be available for public review under proposed paragraph (e)(2). These two proposed requirements would ensure public availability and accessibility of all NRC information on ITAAC closure. Further explanation of the basis for the publication and availability requirements is presented further under the discussion on proposed 10 CFR 52.99(e)(1) and (e)(2).

Events that affect completed ITAAC could involve activities that include, but are not limited to, maintenance and engineering, program, or design changes. The NRC expects that licensees will carry out these activities under established programs to maintain ITAAC conclusions and that no supplemental notification will be necessary in most instances. The NRC can have confidence that prior ITAAC conclusions are maintained as long as the ITAAC determination basis established by the original ITAAC closure notification is not materially altered. If the ITAAC determination basis is not materially altered, licensee activities will remain below the notification threshold of 10 CFR 52.99(c)(3)(i). If the ITAAC determination basis is materially altered, the licensee would be required to notify the NRC under 10 CFR 52.99(c)(3)(i) and document resolution of the issue in a supplemental ITAAC closure notification under

10 CFR 52.99(c)(3)(ii). In either event, records documenting the licensee's activities are required to be available at the plant site for NRC review to comply with 10 CFR 52.99(c)(4), as discussed further in this document.

#### *ITAAC Closure Documentation*

In proposed 10 CFR 52.99(c)(4), the NRC is adding a provision that would require that licensees maintain records of the basis for determining whether a notification of new information on ITAAC closure under 10 CFR 52.99(c)(3)(i) is required and records of the bases for all notifications required under 10 CFR 52.99(c). Because of the dynamic nature of onsite construction activities, and the relatively long period of time from the start of construction until construction completion, conditions and bases for ITAAC closure could change after notification is made to the NRC under 10 CFR 52.99(c)(1). In addition to supplemental ITAAC closure notifications made under paragraph (c)(3)(ii), the licensee will need to maintain records to reflect changed conditions that do not rise above the threshold that would require a supplemental notification under paragraph (c)(3) (e.g., like-for-like replacement of a component identified in an ITAAC that does not otherwise rise above the reporting thresholds described in the section-by-section analysis in this document for 10 CFR 52.99(c)(3)). This proposed requirement would ensure that all documentation related to ITAAC closure would be maintained and available for NRC inspection to support the NRC staff's determination about whether the licensee properly performed ITAAC inspections, tests, and analyses and whether the acceptance criteria are met.

The NRC is proposing to require that licensees retain the records required under proposed paragraph (c)(4) for 5 years after the date the Commission makes the finding under 10 CFR 52.103(g). The NRC believes that, although the ITAAC are no longer regulatory requirements after the Commission makes the finding under 10 CFR 52.103(g), a retention period beyond that date is necessary to support enforcement actions related to compliance with

ITAAC requirements. The NRC is proposing a 5-year retention period because it accords with the statute of limitations for civil penalties found in 28 U.S.C. 2462.

NRC inspection, publication of notices, and availability of licensee notifications

Section 52.99(e)(1) requires that NRC publish in the *Federal Register* the NRC staff's determination of the successful completion of inspections, tests, and analyses, at appropriate intervals until the last date for submission of requests for hearing under 10 CFR 52.103(a). The NRC is proposing revisions to paragraph (e)(1) to include notices in the *Federal Register* of the licensee's notification that the determination basis for a completed ITAAC has been materially altered under paragraph (c)(3)(i) and any NRC staff determination that the acceptance criteria for the affected ITAAC are met following a licensee notification under paragraph (c)(3)(ii) of this section.

Section 52.99(e)(2) currently provides that the NRC shall make publicly available the licensee notifications under paragraphs (c)(1) and (c)(2). The NRC is proposing to revise paragraph (e)(2) to cover all notifications under 10 CFR 52.99(c) and (f). In general, the NRC expects to make the paragraphs (c) and (f) notifications available shortly after the NRC has received the notifications and concluded that they are complete. Furthermore, by the date of the *Federal Register* notice of intended operation and opportunity to request a hearing on whether acceptance criteria are met (under 10 CFR 52.103(a)), the NRC will make available the licensee notifications under paragraphs (c)(1), (c)(2), and (c)(3) that it has received to date.

#### *All ITAAC Complete Notification*

Another notification that the NRC is proposing is the all ITAAC complete notification under 10 CFR 52.99(f)(1). The purpose of this notification is to facilitate the required Commission finding under 10 CFR 52.103(g) that the acceptance criteria in the combined license are met. After or concurrent with the last ITAAC closure notification required by

10 CFR 52.99(c)(1), the licensee would be required to notify the NRC that all ITAAC are complete. When the licensee submits the all ITAAC complete notification, the NRC would expect that all activities requiring supplemental ITAAC closure notifications have been completed and that the associated ITAAC determination bases have been updated.

However, the NRC recognizes that construction and operational readiness activities will continue even after the licensee submits the all ITAAC complete notification, and that these activities could result in new information that may materially alter the basis for a finding on acceptance criteria under 10 CFR 52.103(g). The NRC understands that prospective licensees expect to complete the last ITAAC very close to the scheduled date for fuel load, and expect the Commission to make the 10 CFR 52.103(g) finding on acceptance criteria shortly thereafter. The NRC's regulatory processes should be structured so that the Commission is able to make a timely 10 CFR 52.103(g) finding that meets all applicable legal standards and is accorded a high level of public confidence. To achieve these objectives, the NRC is proposing provisions in 10 CFR 52.99(f)(2) to address a situation where issues occur after submission of the all ITAAC complete notification. This proposed provision states that if, after filing the all ITAAC complete notification, the licensee identifies new information material to the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met, the licensee shall determine whether notification is required under paragraph (c)(3)(i) of this section and make the necessary notification within 24 hours of identification of the new information. At this time, the NRC staff would be preparing to make, or may have already made, its recommendation to the Commission in support of the Commission finding under 10 CFR 52.103(g). This prompt notification would be required to ensure that the NRC staff has the most accurate information on which to base its recommendation to the Commission and that the Commission has the most current and accurate information on which to base its finding. The proposed requirement is intended to keep the Commission informed of

information material to the finding required under 10 CFR 52.103(g) without being impractical to implement or unduly burdensome.

After making the 24-hour notification, the licensee would be required to submit any further notification required under 10 CFR 52.99(c)(3)(ii) and to resubmit the all ITAAC complete notification under 10 CFR 52.99(f)(1) to verify that it has no outstanding ITAAC issues. The purpose of this proposed requirement is to ensure that the NRC staff has the most current information on ITAAC closure and that the licensee reaffirms its conclusion that the acceptance criteria for all ITAAC are met before the NRC staff makes (or reiterates) its recommendation to the Commission in support of the 10 CFR 52.103(g) finding.

As stated previously, the purpose of the all ITAAC complete notification is to facilitate the required Commission finding under 10 CFR 52.103(g) that the acceptance criteria in the combined license are met. To support the Commission's finding, if and when appropriate, the NRC staff will send a recommendation to the Commission. The staff will consider that all ITAAC "are met" if both of the following conditions hold:

- All ITAAC were verified to be met at one time; and
- The licensee provides confidence that the ITAAC determination bases have been maintained and that the ITAAC acceptance criteria continue to be met.

The staff approach would allow licensees to have ITAAC-related structures, systems, or components, or security or emergency preparedness related hardware, undergoing certain activities at the time of the 10 CFR 52.103(g) finding, if the programs credited with maintaining the validity of completed ITAAC, guide those activities and the activities are not so significant as to exceed a threshold for reporting. If a reporting threshold has been exceeded, the NRC would need to evaluate the licensee's supplemental ITAAC closure notification to determine whether the ITAAC continue to be met. Reporting thresholds are discussed in more detail in the section-by-section analysis for 10 CFR 52.99(c)(3) in this document.

### C. Conforming Changes to 10 CFR 2.340

The 2007 Part 52 rulemaking amended 10 CFR 2.340, “Initial decision in certain contested proceedings; immediate effectiveness of initial decisions; issuance of authorizations, permits, and licenses,” to clarify, among other things, the scope of the presiding officer’s decision in various kinds of NRC proceedings, and remove the requirement for direct Commission involvement in all production and utilization facility licensing proceedings.

Section 2.340(j) was intended to address these matters in connection with the Commission finding on acceptance criteria and any associated hearing under 10 CFR 52.103. In the course of developing this proposed rule, the NRC determined that 10 CFR 2.340(j) contains several errors and ambiguous statements. The proposed changes, together with the proposed bases for the changes, are described below.

Section 2.340(j) currently states that the Commission makes a finding under 10 CFR 52.103(g) that acceptance criteria “have been or will be met.” This is incorrect; the Commission’s finding under 10 CFR 52.103(g) is that the acceptance criteria “are met,” which is the statutory requirement under Section 185.b of the AEA. To correct this error, the NRC proposes to amend the introductory language of 10 CFR 2.340(j) to use the correct phrase, “acceptance criteria...are met....”

In addition, 10 CFR 2.340(j), as currently written, does not clearly address the circumstances in a contested proceeding that could lead to a Commission finding under 10 CFR 52.103(g) that acceptance criteria are met. To provide clarity, the NRC proposes to further amend 10 CFR 2.340(j) to clearly explain when the Commission may make the 10 CFR 52.103(g) finding, by further delineating between the presiding officer’s decisions on contentions that acceptance criteria have not been met and decisions on contentions that acceptance criteria will not be met. In both cases, if the presiding officer’s decision resolves the contention favorably this does not obviate the need for the Commission to make the required

finding under Section 185.b of the AEA and 10 CFR 52.103(g) that the acceptance criteria are met. For example, the presiding officer's initial decision upon summary disposition that a particular acceptance criterion has been met may be rendered before the occurrence of an event which is ultimately resolved as reported in a 10 CFR 52.99(c)(3)(ii) notification. In such a circumstance, the Commission must independently come to the conclusion that the acceptance criterion is met. That conclusion must be based upon consideration of both the presiding officer's initial decision and information relevant to the 10 CFR 52.99(c)(3)(ii) notification. Accordingly, the NRC concludes that it is necessary to clarify the language of paragraph (j). To accommodate the proposed clarifications, the Commission proposes to redesignate current paragraph (2) as paragraph (4), but without any change to the regulatory language.

#### **IV. Section-by-Section Analysis**

The primary changes on ITAAC maintenance being proposed by the NRC in this rulemaking are to 10 CFR 52.99. The changes to 10 CFR 2.340 are corrections.

*Section 2.340 Initial decision in certain contested proceedings; immediate effectiveness of initial decisions; issuance of authorizations, permits and licenses.*

*Section 2.340(j) Issuance of finding on acceptance criteria under 10 CFR 52.103.*

Paragraph (j) would be amended to allow the Commission (or the appropriate staff Office Director) in a contested proceeding to make the finding under 10 CFR 52.103(g) that the acceptance criteria in a combined license are met, under certain circumstances that are delineated in greater detail in paragraphs (j)(1) through (4). This compares with the current rule, which contains only two paragraphs (j)(1) and (2). The matters covered by paragraph (j)(1) of the current rule would be described with greater clarity in proposed paragraphs (j)(1) through (3).

Proposed paragraph (j)(1) clarifies that the Commission may not make the overall 10 CFR 52.103(g) finding unless it is otherwise able to find that all uncontested acceptance

criteria (i.e., “acceptance criteria not within the scope of the initial decision of the presiding officer”) are met. The phrase “otherwise able to make” conveys the NRC’s determination that the Commission’s process for supporting a Commission finding on uncontested acceptance criteria is unrelated to and unaffected by the timing of the presiding officer’s initial decision.

Proposed paragraph (j)(2) clarifies that a presiding officer’s initial decision which finds that acceptance criteria have been met, is a necessary but not sufficient prerequisite for the Commission to make a finding that the contested acceptance criteria (i.e., the criteria which are the subject of the presiding officer’s initial decision) are met. The Commission must thereafter – even if the presiding officer’s initial decision finds that the contested acceptance criteria have been met – be able to make a finding that the contested criteria are met after considering: (1) information submitted in the licensee notifications which the NRC proposes to be included in 10 CFR 52.99; and (2) the NRC staff’s findings with respect to these notifications, to issue the overall 10 CFR 52.103 finding. By using the word “thereafter,” the NRC intends to emphasize that the Commission would not make a finding that contested acceptance criteria are met in advance of the presiding officer’s initial decision on those acceptance criteria.

Proposed paragraph (j)(3) expresses the same concept as paragraph (j)(2) but as applied to findings that acceptance criteria will be met. Thus, even if a presiding officer’s initial decision finds that the contested acceptance criteria will be met, the Commission must thereafter be able to make a finding that the contested criteria are met after considering: (1) information submitted in an ITAAC closure notification pursuant to 10 CFR 52.99(c)(1); (2) information submitted in the licensee notifications which the NRC proposes to be included in 10 CFR 52.99; and (2) the NRC staff’s findings with respect to such notifications, to issue the overall 10 CFR 52.103 finding.

Proposed paragraph (j)(4) is the same as the existing provision in 10 CFR 2.340(j)(2). This paragraph provides that the Commission may make the 52.103(g) finding notwithstanding

the pendency of a petition for reconsideration under 10 CFR 2.345, a petition for review under 10 CFR 2.341, a motion for a stay under 10 CFR 2.342, or a petition under 10 CFR 2.206.

The NRC notes that 10 CFR 2.340(j) is not intended to be an exhaustive “roadmap” to a possible 10 CFR 52.103(g) finding that acceptance criteria are met. For example, this provision does not directly address what must occur for the Commission to make a 10 CFR 52.103(g) finding where the presiding officer finds, with respect to a contention, that acceptance criteria are *not* met. The NRC also notes that this provision applies only to contested proceedings. If there is no hearing under 10 CFR 52.103, or if the hearing ends without a presiding officer’s initial decision on the merits (e.g., a withdrawal of the sole party in a proceeding), then 10 CFR 2.340(j) does not govern the process by which the Commission (or the appropriate staff Office Director) makes the 10 CFR 52.103(g) finding.

*Section 52.99 Inspection during construction; ITAAC schedules and notifications; NRC notices.*

Although the NRC is not making changes to every paragraph under 10 CFR 52.99, for simplicity, this rulemaking would replace the section in its entirety. Therefore, the NRC is providing a section-by-section discussion for every paragraph in 10 CFR 52.99. For those paragraphs where little or no change is being proposed, the NRC is repeating the section-by-section discussion from the 2007 major revision to 10 CFR Part 52 (72 FR 49450-49451; August 28, 2007) with editorial and conforming changes, as appropriate.

The purpose of this section is to present the requirements to support the NRC’s inspections during construction, including requirements for ITAAC schedules and notifications and for NRC notices of ITAAC closure.

*Section 52.99(a) Licensee schedule for completing inspections, tests or analyses.*

The NRC is not proposing any changes to this paragraph. Paragraph (a) requires that the licensee submit to the NRC, no later than 1 year after issuance of the combined license or at the start of construction as defined at 10 CFR 50.10, whichever is later, its schedule for

completing the inspections, tests, or analyses in the ITAAC. This provision also requires the licensee to submit updates to the ITAAC schedule every 6 months thereafter and, within 1 year of its scheduled date for initial loading of fuel, licensees must submit updates to the ITAAC schedule every 30 days until the final notification is provided to the NRC under 10 CFR 52.99(c). The information provided by the licensee will be used by the NRC in developing the NRC's inspection activities and activities necessary to support the Commission's finding whether all of the ITAAC are met prior to the licensee's scheduled date for fuel load. Even in the case where there were no changes to a licensee's ITAAC schedule during an update cycle, the NRC expects the licensee to notify the NRC that there have been no changes to the schedule.

*Section 52.99(b) Licensee and applicant conduct of activities subject to ITAAC.*

The NRC is proposing an editorial change to the last sentence of 10 CFR 52.99(b) to replace the words "have been met" with "are met" for consistency with the requirements of Section 185.b of the AEA, as implemented in 10 CFR 52.103(g). The purpose of the requirement in 10 CFR 52.99(b) is to clarify that an applicant may proceed at its own risk with design and procurement activities subject to ITAAC, and that a licensee may proceed at its own risk with design, procurement, construction, and preoperational testing activities subject to an ITAAC, even though the NRC may not have found that any particular ITAAC are met.

*Section 52.99(c) Licensee notifications and documentation.*

*Section 52.99(c)(1) ITAAC closure notification and Section 52.99(c)(2) Uncompleted ITAAC notification.*

The NRC is proposing editorial changes in 10 CFR 52.99(c)(1) to replace the words "have been met" with "are met." Section 52.99(c)(1) would require the licensee to notify the NRC that the prescribed inspections, tests, and analyses have been performed and that the prescribed acceptance criteria are met. Section 52.99(c)(1) would further require that the

notification contain sufficient information to demonstrate that the prescribed inspections, tests, and analyses have been performed and that the prescribed acceptance criteria are met.

The NRC is proposing an editorial change to the last sentence in 10 CFR 52.99(c)(2) to replace the words “have been met” with “are met.” Paragraph 52.99(c)(2) requires that, if the licensee has not provided, by the date 225 days before the scheduled date for initial loading of fuel, the notification required by paragraph (c)(1) of this section for all ITAAC, then the licensee shall notify the NRC that the prescribed inspections, tests, or analyses for all uncompleted ITAAC will be performed and that the prescribed acceptance criteria will be met prior to operation (consistent with the AEA Section 185.b requirement that the Commission, “prior to operation,” find that the acceptance criteria in the combined license are met). The notification must be provided no later than the date 225 days before the scheduled date for initial loading of fuel, and must provide sufficient information to demonstrate that the prescribed inspections, tests, or analyses will be performed and the prescribed acceptance criteria for the uncompleted ITAAC will be met.

Section 52.99(c) ensures that: (1) the NRC has sufficient information to complete all of the activities necessary for the Commission to make a finding as to whether all of the ITAAC are met prior to initial operation; and (2) interested persons will have access to information on both completed and uncompleted ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing on acceptance criteria. It is the licensee’s burden to demonstrate compliance with the ITAAC and the NRC expects the information submitted under paragraph (c)(1) to contain more than just a simple statement that the licensee believes the ITAAC has been completed and the acceptance criteria met. The NRC would expect the notification to be sufficiently complete and detailed for a reasonable person to understand the bases for the licensee’s representation that the inspections, tests, and analyses have been successfully completed and the acceptance criteria are met. The term “sufficient information”

would require, at a minimum, a summary description of the bases for the licensee's conclusion that the inspections, tests, or analyses have been performed and that the prescribed acceptance criteria are met.

Furthermore, with respect to uncompleted ITAAC, it is the licensee's burden to demonstrate that it will comply with the ITAAC and the NRC would expect the information that the licensee submits under paragraph (c)(2) to be sufficiently detailed such that the NRC staff can determine what activities it will need to undertake to determine if the acceptance criteria for each of the uncompleted ITAAC are met, once the licensee notifies the NRC that those ITAAC have been successfully completed and their acceptance criteria met. The term "sufficient information" requires, at a minimum, a summary description of the bases for the licensee's conclusion that the inspections, tests, or analyses will be performed and that the prescribed acceptance criteria will be met. In addition, "sufficient information" includes, but is not limited to, a description of the specific procedures and analytical methods to be used for performing the inspections, tests, and analyses and determining that the acceptance criteria are met.

The NRC notes that, even though it did not include a provision requiring the completion of all ITAAC by a certain time prior to the licensee's scheduled fuel load date, the NRC staff will require some period of time to perform its review of the last ITAAC once the licensee submits its notification that the ITAAC has been successfully completed and the acceptance criteria met.

In addition, the Commission itself will require some period of time to perform its review of the staff's conclusions regarding all of the ITAAC and the staff's recommendations regarding the Commission finding under 10 CFR 52.103(g).

*Section 52.99(c)(3) ITAAC post-closure notifications.*

The NRC is proposing to add new paragraph (c)(3) that would require two notifications subsequent to ITAAC closure. The first is an early notification of new information on ITAAC closure under paragraph (c)(3)(i). The second proposed notification under paragraph (c)(3)(ii) is

the supplemental ITAAC closure notification documenting the resolution of issues identified in the earlier notification under paragraph (c)(3)(i).

*Section 52.99(c)(3)(i) New information on ITAAC closure.*

Paragraph (c)(3)(i) would require licensees to notify the NRC of new information materially altering the basis for determining that an inspection, test or analysis was performed as required, or that an acceptance criterion is met. The NRC is proposing that the notification be made no later than 7 days after licensee determination that the information materially alters the ITAAC determination basis.

Fundamentally, those circumstances requiring notification under paragraph (c)(3)(i) fall into the following two categories:

- The information presented or referenced in the original 10 CFR 52.99(c)(1) notification is insufficient, either because it omits material information, or because the information is materially erroneous or incorrect, and the licensee discovers or determines there is a material omission or error after filing the original 10 CFR 52.99(c)(1) notification.
- The information presented or referenced in the original 10 CFR 52.99(c)(1) notification was complete (i.e., not omitting material information) and accurate (i.e., not materially erroneous), but there is new material information with respect to the subject of the original 10 CFR 52.99(c)(1) notification.

The term “materially altering” refers to situations in which there is information not contained in the 10 CFR 52.99(c)(1) notification that “has a natural tendency or capability to influence an agency decision maker” in either determining whether the prescribed inspection, test or analysis was performed as required, or finding that the prescribed acceptance criterion is met. See Final Rule; Completeness and Accuracy of Information, December 31, 1987; 52 FR 49362, at 49363. Applying this concept in the context of 10 CFR 52.99(c), information for which notification would be required under paragraph (c)(3)(i) is that information which,

considered by itself or when considered in connection with information previously submitted or referenced by the licensee in a paragraph (c)(1) notification, relates to information which is necessary for any of the following:

- The licensee to assert that the prescribed inspections, test, and analyses have been performed and the acceptance criteria are met;
- The NRC staff to determine if (and provide a recommendation to the Commission as to whether) the prescribed inspections, tests, and analyses were performed and the acceptance criteria are met; or
- The Commission to find that the acceptance criteria are met, as required by Section 185.b of the AEA and 10 CFR 52.103(g).

The term “new” information embraces three different kinds of information:

- New information (i.e., a “discovery” or new determination identified after the 10 CFR 52.99(c)(1) notification) about the accuracy of material information provided in, referenced by, or necessary to support representations made in that notification.
- New information (i.e., a “discovery” or new determination identified after the 10 CFR 52.99(c)(1) notification) that previously existing information should have been, but was not provided in the notification or referenced in the supporting documentation (i.e., an omission of material information).
- Information on a “new” event or circumstance (i.e., an event or circumstance occurring after the 10 CFR 52.99(c)(1) notification) that materially affects the accuracy or completeness of the basis – as reported or relied upon in the 52.99(c)(1) notification – for the licensee’s representation that the acceptance criteria are met.

Applying these concepts, the NRC believes that the circumstances for which reporting under this provision would be required include:

- *Material Error or Omission* – Is there a material error or omission in the original ITAAC closure notification?
- *Post Work Verification (PWV)* - Will the PWV performed following work undertaken to resolve an issue reportable under 10 CFR 52.99(c)(3)(i) use a significantly different approach than the original performance of the inspection, test, or analysis as described in the original ITAAC notification?
- *Engineering Changes* - Will an engineering change be made that materially alters the determination that the acceptance criteria are met?
- *Additional Items to be Verified* - Will there be additional items that need to be verified through the ITAAC?
- *Complete and Valid ITAAC Representation* - Will any other licensee activities materially alter the ITAAC determination basis?

Additional guidance on implementing these reporting thresholds is being developed by NEI as a revision to its existing ITAAC closure guidance in NEI 08-01. The NRC staff will issue a proposed revision to RG 1.215 for public comment and is considering endorsing the revised guidance prepared by NEI. This proposed guidance is discussed further in Section V, “Guidance,” of this document.

The NRC is proposing that notifications under 10 CFR 52.99(c)(3)(i) be made to the NRC Operations Center. The NRC’s preferred notification method is by e-mail to [hoo.hoc@nrc.gov](mailto:hoo.hoc@nrc.gov). Notification can also be made by facsimile to the NRC Operations Center at (301) 816–5151, or by telephone at (301) 816–5100. Verification that the facsimile has been received should be made by calling the NRC Operations Center.

Notifications made to the NRC Operations Center under 10 CFR 52.99(c)(3)(i) should clearly indicate that they are being submitted under 10 CFR 52.99 (c)(3)(i) and include, but need not be limited to, the following information, to the extent known:

- Name , address, telephone number, and title or position within licensee organization of individual or individuals informing the Commission.
- Identification of the facility reporting the situation that materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met.
- The date that the licensee determined that it had information that materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met.
- The specific ITAAC affected and the date of the original ITAAC closure notification submitted under 10 CFR 52.99(c)(1).
- The systems affected and the nature of the condition that materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met.
- Whether any corrective actions are planned during the next 24 hours.
- Whether the onsite NRC Resident Inspector has been informed (although the report should include information about whether the Resident Inspector has been informed, this is not a prerequisite for making the report and notification of the Resident Inspector should not inhibit making a timely notification to the NRC Operations Center).

*Section 52.99(c)(3)(ii) Supplemental ITAAC closure notification.*

Proposed paragraph (c)(3)(ii) would require the licensee, after submitting a notification under paragraph (c)(3)(i), to submit a supplemental ITAAC closure notification documenting the resolution of the issue which prompted the paragraph (c)(3)(i) report. By “resolution,” the NRC means: (1) the completion of the licensee’s technical evaluation of the issue and the determination as to whether the prescribed inspection, test, or analysis was performed as required; (2) licensee completion of any necessary corrective or supplemental actions; (3)

licensee documentation of the issue and any necessary corrective or supplemental actions in order to bring the ITAAC determination basis up to date; and (4) ultimate licensee determination about whether the affected acceptance criteria continue to be met.

The information provided in the notification should be at a level of detail comparable to the ITAAC closure notification under paragraph (c)(1). The dual purposes of the proposed paragraph (c)(3)(ii) notification, as described in Section III.B, “Additional ITAAC Notifications and Documentation,” of this document, are comparable to the purposes of the ITAAC closure notification in paragraph (c)(1). Thus, the NRC believes that the considerations for the content of the ITAAC closure notification, as discussed in the final 2007 Part 52 rule, apply to the proposed paragraph (c)(3)(ii) notifications. See 72 FR 49450; August 28, 2007 (second column). Thus, it is the licensee’s burden to demonstrate compliance with the ITAAC, taking into account any new information that materially alters the determination that a prescribed inspection, test or analysis was performed as required or that a prescribed acceptance criterion is met. The NRC expects the paragraph (c)(3)(ii) notification to contain more than just a simple statement that the licensee has concluded, despite the new information which prompted the paragraph (c)(3)(i) notification, that the prescribed inspection, test or analysis was performed as required and that a prescribed acceptance criterion is met. The NRC expects the notification to be sufficiently complete and detailed for a reasonable person to understand the bases for the licensee’s determination in the paragraph (c)(3)(ii) notification. The term “sufficient information” is comparable to the meaning given to that term in paragraph (c)(1), and requires, at a minimum, a summary description of the bases for the licensee’s determination. In addition, “sufficient information” includes, but is not limited to, a description of the specific procedures and analytical methods used or relied upon to develop or support the licensee’s determination. The notification must be submitted to the NRC within 30 days of resolution of the issue which prompted the paragraph (c)(3)(i) notification. The paragraph (c)(3)(ii) notification must be in

writing, and the records on which it is based must be retained by the licensee to comply with the requirements of proposed 10 CFR 52.99(c)(4). Licensees should use the same process for submitting supplemental ITAAC closure notifications as would be used to submit initial ITAAC closure notifications. The NRC is issuing draft guidance on implementation of the requirements in proposed paragraph (c)(3), including the level of detail necessary to comply with the requirements of proposed paragraph (c)(3)(ii), as discussed in Section V of this document.

*Section 52.99(c)(4) ITAAC closure documentation.*

Paragraph 10 CFR 52.99(c)(4) would require that licensees maintain records of the bases for determining whether a notification of new information on ITAAC closure under 10 CFR 52.99(c)(3)(i) is required and records of the bases for all notifications required under 10 CFR 52.99(c). This would include records supporting initial ITAAC closure notifications under paragraph (c)(1), incomplete ITAAC notifications under paragraph (c)(2), and supplemental ITAAC closure notifications under paragraph (c)(3). The onsite ITAAC closure package would provide the technical basis for the licensee's submittals under 10 CFR 52.99(c). As such, it can be viewed as a "roadmap" documenting how the licensee has established that the activities related to verifying that the ITAAC acceptance criteria are met were accomplished. Documents reviewed and referenced in the ITAAC closure or supplemental closure notifications and key supporting documents should be listed in the closure package and should be readily retrievable for ease of verification by the NRC during inspections. If certain supporting information is not available onsite, the ITAAC closure package should indicate where that information may be inspected or audited, if necessary. Licensees would be required to retain these records for a period of 5 years after the date the Commission makes the finding under 10 CFR 52.103(g).

*Section 52.99(d) Licensee determination of non-compliance with ITAAC.*

Paragraph (d) states the options that a licensee will have in the event that it is determined that any of the acceptance criteria in the ITAAC are not met. If an activity is subject to an ITAAC derived from a referenced standard design certification and the licensee has not demonstrated that the ITAAC are met, the licensee may take corrective actions to successfully complete that ITAAC or request an exemption from the standard design certification ITAAC, as applicable. A request for an exemption must also be accompanied by an application for a license amendment under 10 CFR 52.98(f). The NRC will consider and take action on the request for exemption and the license amendment application together as an integrated NRC action.

Also, if an activity that is subject to an ITAAC not derived from a referenced standard design certification and the licensee has not demonstrated that the ITAAC has been met, the licensee may take corrective actions to successfully complete that ITAAC or request a license amendment under 10 CFR 52.98(f).

*Section 52.99(e) NRC inspection, publication of notices, and availability of licensee notifications.*

Paragraph (e)(1) of this section indicates that the NRC is responsible for ensuring (through its inspection and audit activities) that the combined license holder performs and documents the completion of inspections, tests, and analyses in the ITAAC. Paragraph (e)(1) requires the NRC to publish, at appropriate intervals until the last date for submission of requests for hearing under 10 CFR 52.103(a), notices in the *Federal Register* of the NRC staff's determination of the successful completion of inspections, tests, and analyses. Paragraph (e)(2) provides that the NRC shall make publicly available the licensee notifications under paragraphs (c) and (f). In general, the NRC expects to make the paragraphs (c) and (f) notifications available shortly after the NRC has received the notifications and concluded that they are complete and detailed. Further, by the date of the *Federal Register* notice of intended operation and opportunity to request a hearing on whether acceptance criteria are met (under

10 CFR 52.103(a)), the NRC will make available the licensee notifications under paragraphs (c)(1), (c)(2), and (c)(3) received to date.

*Section 52.99(f) All ITAAC Complete Notification.*

Paragraph 52.99(f)(1) would require the licensee to notify the NRC that all ITAAC are complete (All ITAAC Complete Notification). When the licensee submits the all ITAAC complete notification, the NRC would expect that all activities requiring supplemental ITAAC closure letters have been completed, that the associated ITAAC determination bases have been updated, and that all required notifications under paragraphs (c)(3) have been made.

Proposed paragraph (f)(2), which would apply in the period after the licensee has filed the all ITAAC complete notification under paragraph (f)(1), would require the licensee to submit to the NRC a notification that it had identified new information which would require reporting under paragraph (c)(3)(i), that is, that the new information materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met. Unlike the 7-day notification requirement under paragraph (c)(3)(i), proposed paragraph (f)(2) would require the licensee to submit the notification no more than 24 hours after the licensee “identifies new information material to the basis” for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met. Thus, proposed paragraph (f)(2) would establish a 24-hour limit between the time that the licensee “identifies new information material to” the ITAAC determination basis, and the time that the licensee determines both that the “new information materially alters” the ITAAC determination basis and makes its notification to the NRC.

“New information material to” the ITAAC determination basis is different from, and constitutes a larger set of information than “new information [which] materially alters” the ITAAC determination basis. In the first instance, information “material to” an ITAAC determination

basis constitutes information which a reasonable person with the appropriate education, training, and experience would consider or evaluate in determining whether the ITAAC determination basis is (or continues to be) valid. By contrast, information which “materially alters” the ITAAC determination basis is a subset of the former information. It is information which the same “reasonable person with the appropriate education, training and experience” would conclude – after performing the consideration or evaluation contemplated in the previous criterion – that additional information is necessary to supplement or substitute for, in whole or part, the basis for an ITAAC determination.

The NRC wishes to make clear that once the licensee has filed the all ITAAC complete notification, the 7-day notification requirement under paragraph (c)(3)(i) does not apply. Once the licensee files an all ITAAC complete notification with the NRC, all subsequent licensee determinations that there is new information which “materially alters” the ITAAC determination basis must be filed under paragraph (f)(2).

The NRC is proposing that any 24-hour notifications under paragraph (f)(2) be made to the NRC Operations Center in the same manner as notifications under paragraph (c)(3)(i). The NRC’s preferred notification method is by e-mail to [hoo.hoc@nrc.gov](mailto:hoo.hoc@nrc.gov). Notification can also be made by facsimile to the NRC Operations Center at (301) 816–5151, or by telephone at (301) 816–5100. Verification that the facsimile has been received should be made by calling the NRC Operations Center. Notifications made to the NRC Operations Center under paragraph (f)(2) should clearly indicate that they are being submitted under 10 CFR 52.99(f)(2) and include:

- Name, address, telephone number, and title or position within licensee organization of individual or individuals informing the Commission.

- Identification of the facility reporting the information that materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met.
- The date and time that the licensee identified new information material to the basis for determining that a prescribed inspection, test or analysis was performed as required or finding that a prescribed acceptance criterion is met.
- The specific ITAAC affected and the date of the original ITAAC closure notification submitted under 10 CFR 52.99(c)(1).
- The systems affected and the nature of the condition that materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met.
- Whether any corrective actions are planned during the next 24 hours.
- Whether the onsite NRC Resident Inspector has been informed (although the report should include information about whether the Resident Inspector has been informed, this is not a prerequisite for making the report and notification of the Resident Inspector should not inhibit making a timely notification to the NRC Operations Center).

If a 24-hour notification is made under paragraph (f)(2), then the licensee must submit the supplemental ITAAC closure notification under paragraph (c)(3)(ii). All the requirements of paragraph (c)(3)(ii) must be met, including the content and timing of the notification. In addition, the documentation requirements in paragraph (c)(4) apply equally to any paragraph (c)(3)(ii) notifications which may be filed after the all ITAAC complete notification under paragraph (f)(1). Once the licensee has submitted both the 24-hour notification under paragraph (f)(2) and the notification required by paragraph (f)(2) meeting the requirements of paragraph (c)(3)(ii), the licensee must submit a new All ITAAC complete notification in accordance with paragraph (f)(1).

The best way of understanding the regulatory process being proposed in paragraph (f) is

to treat this paragraph as establishing a process for notifications which continues to govern until the Commission makes the 10 CFR 52.103 finding on acceptance criteria. The licensee enters this process when it submits its first all ITAAC complete notification under paragraph (f)(1). Thereafter, the licensee's notification obligations are governed solely by the provisions in paragraph (f), which require the licensee to comply with paragraph (f)(2) and "cycle" back to paragraph (f)(1) until such time as the Commission makes the 10 CFR 52.103(g) finding. The NRC recognizes that paragraph (f)(2) refers back to (c)(3)(ii) with respect to the content and timing of the second notification under paragraph (f)(2), which may lead to the incorrect conclusion that the process is the same before and after the paragraph (f)(1) notification. The NRC may consider additional language changes as part of the final rule to clarify the distinction between these two processes.

#### **V. Guidance**

Following issuance of this proposed rule, the NRC will issue a proposed revision to its regulatory guidance in RG 1.215 on implementation of the requirements in 10 CFR 52.99. In this proposed revision, the NRC is considering endorsing Revision 4 to the existing industry ITAAC closure guidance in NEI 08-01, submitted to the NRC for endorsement on July 16, 2010 (ADAMS Accession No. ML102010076). The revised guidance is intended to provide an acceptable method by which licensees can implement the new requirements being proposed in this rulemaking. The staff will consider any comments received on the proposed rule in its final revisions to RG 1.215. The NRC expects that all guidance necessary to implement this rule will be available at the time that the final rule becomes effective.

#### **VI. Specific Request for Comments**

In addition to the general invitation to submit comments on the proposed rule, the NRC also requests comments on the following issues:

1. *New information material to the ITAAC determination basis.* Under proposed 10 CFR 52.99(f)(2), which would apply in the period after the licensee has filed the all ITAAC complete notification under paragraph (f)(1), the NRC would require the licensee to submit to the NRC a notification that it had identified new information which would require reporting under proposed 10 CFR 52.99(c)(3)(i), that is, that the new information materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met. Unlike the 7-day notification requirement under proposed 10 CFR 52.99(c)(3)(i), proposed 10 CFR 52.99(f)(2) would require the licensee to submit the notification no more than 24 hours after the licensee “identifies new information material to the basis” for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met. Thus, proposed 10 CFR 52.99(f)(2) would establish a 24-hour limit between the time that the licensee “identifies new information material to” the ITAAC determination basis, and the time that the licensee determines both that the “new information materially alters” the ITAAC determination basis and makes its notification to the NRC.

“New information material to” the ITAAC determination basis is different from, and constitutes a larger set of information than “new information [which] materially alters” the ITAAC determination basis. In the first instance, information “material to” an ITAAC determination basis constitutes information which a reasonable person with the appropriate education, training, and experience would consider or evaluate in determining whether the ITAAC determination basis is (or continues to be) valid. By contrast, information which “materially alters” the ITAAC determination basis is a subset of the former information. It is information which the same “reasonable person with the appropriate education, training and experience” would conclude – after performing the consideration or evaluation contemplated in the previous criterion – that additional information is necessary to supplement or substitute for, in whole or

part, the basis for an ITAAC determination.

The NRC requests specific comment on whether the NRC should adopt a term other than “material to” for describing the information governing the timing of the 24-hour report, or alternatively, whether the NRC’s concept of “material to” needs to be clarified, expanded, or modified.

2. *24-hour reporting time after All ITACC Complete notification.* Under proposed 10 CFR 52.99(f)(1), the licensee would be required to submit an All ITAAC Complete notification. After or concurrent with the last ITAAC closure notification required by 10 CFR 52.99(c)(1), the licensee would be required to notify the NRC that all ITAAC are complete. When the licensee submits the all ITAAC complete notification, the NRC would expect that all activities requiring supplemental ITAAC closure notifications have been completed and that the associated ITAAC determination bases have been updated. However, the NRC recognizes that construction and operational readiness activities will continue even after the licensee submits the all ITAAC complete notification, and that these activities could result in new information that may materially alter the basis for a finding on acceptance criteria under 10 CFR 52.103(g). The NRC understands that prospective licensees expect to complete the last ITAAC very close to the scheduled date for fuel load, and expect the Commission to make the 10 CFR 52.103(g) finding on acceptance criteria shortly thereafter. The NRC’s regulatory processes should be structured so that the Commission is able to make a timely 10 CFR 52.103(g) finding that meets all applicable legal standards and is accorded a high level of public confidence. To achieve these objectives, the NRC is proposing provisions in 10 CFR 52.99(f)(2) to address a situation where issues occur after submission of the all ITAAC complete notification. This proposed provision states that if, after filing the all ITAAC complete notification, the licensee identifies new information material to the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met, the licensee

shall determine whether notification is required under 10 CFR 52.99(c)(3)(i) of this section and make the necessary notification within 24 hours of identification of the new information. At this time, the NRC staff would be preparing to make, or may have already made, its recommendation to the Commission in support of the Commission finding under 10 CFR 52.103(g). This prompt notification would be required to ensure that the NRC staff has the most accurate information on which to base its recommendation to the Commission and that the Commission has the most current and accurate information on which to base its finding.

The NRC is seeking specific comment on the time frame for this prompt notification following submittal of the all ITAAC complete notification. The NRC believes that 24 hours is a reasonable amount of time for licensees to evaluate whether new information determined to be material to ITAAC closure will, upon further consideration, materially alter the ITAAC determination basis, given the importance of ensuring that the Commission has complete and accurate information at the time it is determining whether the acceptance criteria in the combined license are met. However, because neither the NRC nor the nuclear power industry have any experience with making these determinations, the NRC is interested in feedback on whether its proposal is reasonable, whether a longer time period should be allowed, or whether no time frame should be specified in the rule itself to allow more detailed guidance on reporting time frames, based on the particular circumstances involved, to be developed in the documents that will provide guidance for implementing these proposed requirements.

## **VII. Availability of Documents**

**NRC's Public Document Room (PDR):** The public may examine and have copied for a fee publicly available documents at the NRC's PDR, Room O1 F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland.

**NRC's Agencywide Documents Access and Management System (ADAMS):** Publicly available documents created or received at the NRC are available electronically at the

NRC's Electronic Reading Room at <http://www.nrc.gov/reading-rm/adams.html>. From this page, the public can gain entry into ADAMS, which provides text and image files of NRC's public documents. If you do not have access to ADAMS or if there are problems in accessing the documents located in ADAMS, contact the NRC's PDR reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to [pdr.resource@nrc.gov](mailto:pdr.resource@nrc.gov).

**Federal Rulemaking Web site:** Public comments and supporting materials related to this proposed rule can be found at <http://www.regulations.gov> by searching on Docket ID: NRC-2010-0012.

The NRC is making the documents identified below available to interested persons through one or more of the following methods as indicated.

Document	PDR	Web	ADAMS
SECY-09-0119, "Staff Progress in Resolving Issues Associated with Inspections, Tests, Analyses and Acceptance Criteria" (August 26, 2009)	X	X	ML091980372
SRM-M090922 - Staff Requirements - Periodic Briefing on New Reactor Issues - Progress in Resolving Issues Associated with Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC), 9:30 A.M., Tuesday, September 22, 2009 (October 16, 2009)	X	X	ML092890658
Regulatory Guide 1.215, "Guidance for ITAAC Closure Under 10 CFR Part 52," Revision 0 (October 31, 2009)	X	X	ML091480076
NEI 08-01, "Industry Guideline for the ITAAC Closure Process Under 10 CFR Part 52," Revision 3 (January 2009)	X		ML090270415
Regulatory Analysis for Proposed Rule - Requirements for Maintenance of Inspections, Tests, Analyses, and Acceptance Criteria (May 2010)	X	X	ML101440359
NUREG/BR-0058, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission," Revision 4 (September 2004)	X	X	ML042820192

### VIII. Plain Language

The Presidential memorandum "Plain Language in Government Writing" published June 10, 1998 (63 FR 31883) directed that the Government's documents be in clear and accessible language. The NRC requests comments on the proposed rule specifically with respect to the clarity and effectiveness of the language used. Comments should be sent to the NRC as explained in the ADDRESSES caption of this document.

### **IX. Agreement State Compatibility**

Under the "Policy Statement on Adequacy and Compatibility of Agreement States Programs," approved by the Commission on June 20, 1997, and published in the *Federal Register* (62 FR 46517; September 3, 1997), this rule is classified as compatibility "NRC." Compatibility is not required for Category "NRC" regulations. The NRC program elements in this category are those that relate directly to areas of regulation reserved to the NRC by the Atomic Energy Act or the provisions of 10 CFR. Although an Agreement State may not adopt program elements reserved to the NRC, it may wish to inform its licensees of certain requirements via a mechanism that is consistent with the particular State's administrative procedure laws. Category "NRC" regulations do not confer regulatory authority on the State.

### **X. Voluntary Consensus Standard**

The National Technology Transfer and Advancement Act of 1995, Pub. L. 104 113, requires that Federal agencies use technical standards that are developed or adopted by voluntary consensus standards bodies unless using such a standard is inconsistent with applicable law or is otherwise impractical. The requirements in this rulemaking address procedural and information collection and reporting requirements necessary to support the NRC's regulatory activities on combined licenses under 10 CFR Part 52, and to facilitate the NRC's conduct of hearings on ITAAC which may be held under Section 189 of the Atomic Energy Act of 1954, as amended. These requirements do not establish standards or substantive requirements with which combined license holders must comply. Thus, this

rulemaking does not constitute establishment of a standard containing generally applicable requirements falling within the purview of the National Technology Transfer and Advancement Act and the implementing guidance issued by the Office of Management and Budget (OMB).

### **XI. Environmental Impact – Categorical Exclusion**

The NRC has determined that these amendments fall within the types of actions described as categorical exclusions under 10 CFR 51.22(c)(2) and (c)(3). Therefore, neither an environmental impact statement nor an environmental assessment has been prepared for this regulation.

### **XII. Paperwork Reduction Act Statement**

This proposed rule contains new or amended information collection requirements that are subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq*). This rule has been submitted to the OMB for review and approval of the information collection requirements.

1. *Type of submission, new or revision:* Revision.
2. *The title of the information collection:* 10 CFR Parts 2 and 52; Requirements for Maintenance of Inspections, Tests, Analyses, and Acceptance Criteria.
3. *Form number, if applicable:* N/A.
4. *How often the collection is required:* On occasion. Reports required under 10 CFR 52.99(c)(3) and (f) are collected and evaluated during construction, (1) whenever a licensee determines that it has new information materially altering the basis for an ITAAC determination; (2) whenever a licensee resolves issues materially altering the basis for an ITAAC determinations; (3) once, when all ITAAC are complete; and (4) whenever a licensee identifies new information which may alter an ITAAC determination basis after it has submitted its notification that all ITAAC are complete.
5. *Who is required or asked to report:* Combined licensee holders, during the period of construction.

6. *An estimate of the number of annual responses:* 99 (88 annual responses plus 3.66 annualized one-time responses plus 7.33 recordkeepers).
7. *The estimated number of annual respondents:* 7.33
8. *The number of hours needed annually to complete the requirement or request:* 13,087 hours (1,210 hours reporting and 11,877 hours recordkeeping).
9. *Abstract:* The NRC is proposing to amend its regulations in 10 CFR 52.99 related to verification of nuclear power plant construction activities through ITAAC under a combined license. Specifically, the NRC is proposing new provisions that apply after a licensee has completed an ITAAC and submitted an ITAAC closure notification. The new provisions would require (1) licensee reporting of new information materially altering the basis for determining that a prescribed inspection, test, or analysis was performed as required, or that a prescribed acceptance criterion is met; (2) licensee documentation of the basis for all ITAAC notifications; and (3) licensee notification of completion of all ITAAC activities.

The NRC is seeking public comment on the potential impact of the information collections contained in this proposed rule and on the following issues:

1. Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility?
2. Is the burden estimate accurate?
3. Is there a way to enhance the quality, utility, and clarity of the information to be collected?
4. How can the burden of the information collection be minimized, including the use of automated collection techniques or other forms of information technology?

A copy of the OMB clearance package may be viewed free of charge at the NRC Public Document Room, One White Flint North, 11555 Rockville Pike, Room O-1 F21, Rockville, Maryland. The OMB clearance package and rule are available at the NRC worldwide Web site: <http://www.nrc.gov/public-involve/doc-comment/omb/index.html> for 60 days after the signature date of this notice.

Send comments on any aspect of these proposed regulations related to information collections, including suggestions for reducing the burden and on the above issues, by **(INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*)** to the Information Services Branch (T-5 F52), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet electronic mail to [Infocollects.Resource@NRC.gov](mailto:Infocollects.Resource@NRC.gov) and to the Desk Officer, Christine Kymn, Office of Information and Regulatory Affairs, NEOB-10202 (3150-0151), Office of Management and Budget, Washington, DC 20503. Comments on the proposed information collections may also be submitted via the Federal eRulemaking Portal <https://www.regulations.gov>, Docket ID NRC-2010-0012. Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given to comments received after this date.

#### Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a request for information or an information collection requirement unless the requesting document displays a currently valid OMB control number.

### **XIII. Regulatory Analysis**

The Commission has prepared a draft regulatory analysis on this proposed regulation. The analysis examines the costs and benefits of the alternatives considered by the Commission.

The Commission requests public comment on the draft regulatory analysis. Comments on the draft analysis may be submitted to the NRC as indicated under the ADDRESSES heading in this document. The analysis is available for inspection in the NRC Public Document Room (ADAMS Accession No. ML101440359), 11555 Rockville Pike, Rockville, Maryland. The analysis may also be viewed and downloaded electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> by searching for Docket ID NRC-2010-0012.

#### **XIV. Regulatory Flexibility Act Certification**

In accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Commission certifies that this rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. This proposed rule affects only the licensing and operation of nuclear power plants. The companies that own these plants do not fall within the scope of the definition of "small entities" set forth in the Regulatory Flexibility Act or the size standards established by the NRC (10 CFR 2.810).

#### **XV. Backfitting and Issue Finality**

The NRC has determined that neither the backfit rule, 10 CFR 50.109, nor any of the finality provisions in 10 CFR Part 52, apply to this proposed rule. Therefore, a backfit analysis is not required because the proposed ITAAC maintenance rule does not contain any provisions that would impose backfitting as defined in the backfit rule, nor does it contain provisions that are inconsistent with the finality provisions applicable to applicants for or holders of combined licenses in 10 CFR Part 52.

The proposed rule would apply only to holders of combined licenses. The backfitting provisions in 10 CFR 50.109 protect holders of combined licenses, and the finality provisions in Subpart C of Part 52 protect holders of combined licenses (with the exception discussed further in this document). There are no current holders of combined licenses; hence, those backfitting

and finality provisions do not apply to this rulemaking. Subpart C of Part 52 contains issue finality provisions which protect combined license applicants, but that protection extends only to issue resolution of matters resolved in referenced early site permits, standard design certifications, standard design approvals, or manufactured reactors. This rule does not alter issue resolution associated with referenced early site permits, standard design certifications, standard design approvals, or manufactured reactors. Instead, this proposed rule addresses requirements concerning the Commission's finding that ITAAC are met, and the conduct of hearings addressing whether prescribed inspections tests and analyses have been performed and the acceptance criteria are met. To the extent that the proposed rule would revise these requirements for future combined licenses, the requirements would not constitute backfitting or otherwise be inconsistent with the finality provisions in 10 CFR Part 52, because the requirements are prospective in nature and effect. Neither the backfit rule nor the issue finality provisions in 10 CFR Part 52 were intended to apply to every NRC action, which substantially changes the obligations of future licensees under 10 CFR Part 52. Accordingly, the NRC has not prepared a backfit analysis or other evaluation for this proposed rule.

#### List of Subjects

##### 10 CFR Part 2

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

##### 10 CFR Part 52

Administrative practice and procedure, Antitrust, Backfitting, Combined license, Early site permit, Emergency planning, Fees, Inspection, Limited work authorization, Nuclear power

plants and reactors, Probabilistic risk assessment, Prototype, Reactor siting criteria, Redress of site, Reporting and recordkeeping requirements, Standard design, Standard design certification.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 553, the NRC is proposing to adopt the following amendments to 10 CFR Parts 2 and 52.

## **PART 2 - RULES OF PRACTICE FOR DOMESTIC LICENSING PROCEEDINGS AND ISSUANCE OF ORDERS**

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

**AUTHORITY:** 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; sec. 1704, 112 Stat. 2750 (44 U.S.C. 3504 note).

Section 2.101 also issued under secs. 53, 62, 63, 81, 103, 104, 68 Stat. 930, 932, 933, 935, 936, 937, 938, as amended (42 U.S.C. 2073, 2092, 2093, 2111, 2133, 2134, 2135); sec. 114(f), Pub. L. 97-425, 96 Stat. 2213, as amended (42 U.S.C. 10143(f)); sec. 102, Pub. L. 91-190, 83 Stat. 853, as amended (42 U.S.C. 4332); sec. 301, 88 Stat. 1248 (42 U.S.C. 5871).

Sections 2.102, 2.103, 2.104, 2.105, 2.321 also issued under secs. 102, 103, 104, 105, 183j, 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. 161 b, i, o, 182, 186, 234, 68 Stat. 948-951, 955, 83 Stat. 444, as amended (42 U.S.C. 2201 (b), (i), (o), 2236, 2282); sec. 206, 88 Stat 1246 (42 U.S.C. 5846). Section 2.205(j) also issued under Pub. L. 101-410, 104 Stat. 90, as amended by section 3100(s), Pub. L. 104-134, 110 Stat. 1321-373 (28 U.S.C. 2461 note). Subpart C also issued under sec. 189, 68 Stat. 955 (42 U.S.C. 2239). Section 2.301 also issued under 5 U.S.C. 554. Sections 2.343, 2.346, 2.712 also issued under 5 U.S.C. 557. Section 2.340 also issued under secs. 135, 141, Pub. L. 97-425, 96 Stat. 2232, 2241 (42 U.S.C. 10155, 10161).

Section 2.390 also issued under sec. 103, 68 Stat. 936, as amended (42 U.S.C. 2133) and 5 U.S.C. 552. 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 2.800 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). Subpart K also issued under sec. 189, 68 Stat. 955 (42 U.S.C. 2239); sec. 134, Pub. L. 97-425, 96 Stat. 2230 (42 U.S.C. 10154). Subpart L also issued under sec. 189, 68 Stat. 955 (42 U.S.C. 2239). Subpart M also issued under sec. 184 (42 U.S.C. 2234) and sec. 189, 68 Stat. 955 (42 U.S.C. 2239). Subpart N also issued under sec. 189, 68 Stat. 955 (42 U.S.C. 2239). Appendix A also issued under sec. 6, Pub. L. 91-550, 84 Stat. 1473 (42 U.S.C. 2135).

2. In 10 CFR Part 2.340, paragraph (j) is revised to read as follows:

**10 CFR 2.340 Initial decision in certain contested proceedings; immediate effectiveness of initial decisions; issuance of authorizations, permits and licenses.**

\* \* \* \* \*

(j) *Issuance of finding on acceptance criteria under 10 CFR 52.103.* The Commission, the Director of New Reactors, or the Director of Nuclear Reactor Regulation, as appropriate, shall make the finding under 10 CFR 52.103(g) that acceptance criteria in a combined license are met within 10 days from the date of the presiding officer's initial decision:

(1) If the Commission or the appropriate Director is otherwise able to make the finding under 10 CFR 52.103(g) that the prescribed acceptance criteria are met for those acceptance criteria not within the scope of the initial decision of the presiding officer;

(2) If the presiding officer's initial decision—with respect to contentions that the prescribed acceptance criteria have not been met—finds that those acceptance criteria have been met, and the Commission or the appropriate Director thereafter is able to make the finding that those acceptance criteria are met;

(3) If the presiding officer's initial decision—with respect to contentions that the prescribed acceptance criteria will not be met—finds that those acceptance criteria will be met, and the Commission or the appropriate Director thereafter is able to make the finding that those acceptance criteria are met; and

(4) Notwithstanding the pendency of a petition for reconsideration under 10 CFR 2.345, a petition for review under 10 CFR 2.341, or a motion for stay under 10 CFR 2.342, or the filing of a petition under 10 CFR 2.206.

\* \* \* \* \*

## **PART 52 - LICENSES, CERTIFICATIONS, AND APPROVALS FOR NUCLEAR POWER PLANTS**

3. The authority citation for Part 52 continues to read as follows:

**AUTHORITY:** Secs. 103, 104, 161, 182, 183, 185, 186, 189, 68 Stat. 936, 948, 953, 954, 955, 956, as amended, sec. 234, 83 Stat. 444, as amended (42 U.S.C. 2133, 2201, 2232, 2233, 2235, 2236, 2239, 2282); secs. 201, 202, 206, 88 Stat. 1242, 1244, 1246, as amended (42 U.S.C. 5841, 5842, 5846); sec. 1704, 112 Stat. 2750 (44 U.S.C. 3504 note); Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (2005), Secs. 147 and 149 of the Atomic Energy Act.

4. Section 52.99 is revised to read as follows:

### **10 CFR 52.99 Inspection during construction; ITAAC schedules and notifications; NRC notices.**

(a) *Licensee schedule for completing inspections, tests or analyses.* The licensee shall submit to the NRC, no later than 1 year after issuance of the combined license or at the start of construction as defined at 10 CFR 50.10(a), whichever is later, its schedule for completing the inspections, tests, or analyses in the ITAAC. The licensee shall submit updates to the ITAAC schedules every 6 months thereafter and, within 1 year of its scheduled date for initial loading of

fuel, the licensee shall submit updates to the ITAAC schedule every 30 days until the final notification is provided to the NRC under paragraph (c)(1) of this section.

(b) *Licensee and applicant conduct of activities subject to ITAAC.* With respect to activities subject to an ITAAC, an applicant for a combined license may proceed at its own risk with design and procurement activities, and a licensee may proceed at its own risk with design, procurement, construction, and preoperational activities, even though the NRC may not have found that any one of the prescribed acceptance criteria are met.

(c) *Licensee notifications and documentation.*

(1) *ITAAC closure notification.* The licensee shall notify the NRC that prescribed inspections, tests, and analyses have been performed and that the prescribed acceptance criteria are met. The notification must contain sufficient information to demonstrate that the prescribed inspections, tests, and analyses have been performed and that the prescribed acceptance criteria are met.

(2) *Uncompleted ITAAC notification.* If the licensee has not provided, by the date 225 days before the scheduled date for initial loading of fuel, the notification required by paragraph (c)(1) of this section for all ITAAC, then the licensee shall notify the NRC that the prescribed inspections, tests, or analyses for all uncompleted ITAAC will be performed and that the prescribed acceptance criteria will be met prior to operation. The notification must be provided no later than the date 225 days before the scheduled date for initial loading of fuel, and must provide sufficient information to demonstrate that the prescribed inspections, tests, or analyses will be performed and the prescribed acceptance criteria for the uncompleted ITAAC will be met, including, but not limited to, a description of the specific procedures and analytical methods to be used for performing the prescribed inspections, tests, and analyses and determining that the prescribed acceptance criteria are met.

(3) *ITAAC post-closure notifications.* The requirements in this paragraph apply, with

respect to each ITAAC, after the licensee makes an ITAAC closure notification under paragraph (c)(1) of this section

(i) *New information on ITAAC closure.* The licensee shall notify the NRC of new information materially altering the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met. The notification shall be by e-mail to [hoo.hoc@nrc.gov](mailto:hoo.hoc@nrc.gov), which is the preferred method of notification, by facsimile to the NRC Operations Center at (301) 816–5151, or by telephone at (301) 816–5100 within 7 days following licensee determination that the new information materially alters the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met. Verification that the e-mail or facsimile has been received should be made by calling the NRC Operations Center.

(ii) *Supplemental ITAAC closure notification.* The licensee shall notify the NRC of its resolution of issues reported under paragraph (c)(3)(i) of this section. The notification must contain sufficient information to demonstrate that, notwithstanding the new information, the prescribed inspections, tests, or analyses have been performed as required, and the prescribed acceptance criteria are met. The notification must be made no later than 30 days after licensee resolution of the issue.

(4) *ITAAC closure documentation.* The licensee shall maintain records of the bases for determining whether a notification under paragraph (c)(3)(i) of this section is required and the bases for all notifications made under paragraph (c) of this section. The licensee shall retain these records for 5 years after the date the Commission makes the finding under 10 CFR 52.103(g).

(d) *Licensee determination of non-compliance with ITAAC.*

(1) In the event that an activity is subject to an ITAAC derived from a referenced

standard design certification and the licensee has not demonstrated that the prescribed acceptance criteria are met, the licensee may take corrective actions to successfully complete that ITAAC or request an exemption from the standard design certification ITAAC, as applicable. A request for an exemption must also be accompanied by a request for a license amendment under 10 CFR 52.98(f).

(2) In the event that an activity is subject to an ITAAC not derived from a referenced standard design certification and the licensee has not demonstrated that the prescribed acceptance criteria are met, the licensee may take corrective actions to successfully complete that ITAAC or request a license amendment under 10 CFR 52.98(f).

(e) *NRC inspection, publication of notices, and availability of licensee notifications.* The NRC shall ensure that the prescribed inspections, tests, and analyses in the ITAAC are performed.

(1) At appropriate intervals until the last date for submission of requests for hearing under 10 CFR 52.103(a), the NRC shall publish notices in the *Federal Register* of the NRC staff's determination of the successful completion of inspections, tests, and analyses. If such a notice is published and the licensee notifies the NRC in accordance with paragraph (c)(3)(i) of this section before the last date of submission of requests for hearing, then the NRC will, until the last date for submission of requests for hearing under 10 CFR 52.103(a), publish notices in the *Federal Register* of the licensee's submission of a notification under paragraph (c)(3)(i) of this section and any NRC staff determination that the acceptance criteria for the affected ITAAC are met.

(2) The NRC shall make publicly available the licensee notifications under paragraphs (c) and (f) of this section. The NRC shall make publicly available the licensee notifications under paragraphs (c)(1), (c)(2), and (c)(3) of this section no later than the date of publication of the notice of intended operation required by 10 CFR 52.103(a).

*(f) All ITAAC Complete notification.*

(1) The licensee shall notify the NRC that all ITAAC are complete.

(2) If, after making the notification required under paragraph (f)(1) of this section, the licensee identifies new information material to the basis for determining that a prescribed inspection, test, or analysis was performed as required or finding that a prescribed acceptance criterion is met, the licensee shall determine whether notification is required under paragraph (c)(3)(i) of this section and make the necessary notification within 24 hours of identification of the new information. The notification shall be to the NRC Operations Center in the same manner as notifications made under paragraph (c)(3)(i) of this section. The licensee must submit any notifications required under paragraph (c)(3)(ii) of this section and resubmit the notification required by paragraph (f)(1) of this section.

Dated at Rockville, Maryland, this     day of           2010.

For the Nuclear Regulatory Commission

Annette L. Vietti-Cook,  
Secretary of the Commission.

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**Regulatory Analysis for Proposed Rule -  
Requirements for Maintenance of Inspections, Tests,  
Analyses, and Acceptance Criteria**

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**U.S. Nuclear Regulatory Commission**

**May 2010**



## EXECUTIVE SUMMARY

The U.S. Nuclear Regulatory Commission (NRC) is proposing to amend its regulations related to verification of nuclear power plant construction activities through inspections, tests, analyses, and acceptance criteria (ITAAC) under a combined license. Specifically, the NRC is proposing new provisions that apply after a licensee has completed an ITAAC and submitted an ITAAC closure notification. The new provisions would require licensees to report new information materially altering the basis for determining that a prescribed inspection, test, or analysis was performed as required, or finding that a prescribed acceptance criterion is met; to document the basis for all ITAAC notifications; and to notify the NRC of completion of all ITAAC activities. In addition, the NRC is proposing editorial corrections to existing language in the NRC's regulations to correct and clarify ambiguous language and make it consistent with language in the Atomic Energy Act of 1954, as amended (AEA).

The analysis presented in this document examines the benefits and costs of the proposed requirements. The key findings of the analysis are as follows:

- *Total Cost to Industry.* The proposed rule would result in additional reporting and recordkeeping costs for the industry. The total annual cost for the rule is \$2,013,480. The total present value of the costs is estimated at \$37,668,316 (using a 7-percent discount rate) and \$39,177,089 (using a 3-percent discount rate) over the next 20 years.
- *Annual Impact to the Economy.* Under the Congressional Review Act of 1996 and as a result of consultations with the Office of Information and Regulatory Affairs of the Office of Management and Budget, the NRC has determined that this action is a non-major rule. This determination is based on the estimated one-time costs (expected to occur within the first year) of implementing this action for the total industry is not to exceed \$274,555.
- *Value of Benefits Not Reflected Above.* The cost figures shown above do not reflect the value of the benefits of the proposed rule. These benefits are evaluated qualitatively in Section 3.1. This regulatory analysis concluded the costs of the rule are justified in view of the qualitative benefits.
- *Costs to NRC.* The annual cost of the rule to the NRC is negligible. The NRC would incur costs to review and process licensee responses to the proposed reporting requirements and to conduct inspections triggered by the new notifications. The total annual costs are approximately \$509,184. The NRC will incur one-time costs for developing the infrastructure to process the new notifications, developing guidance, and training NRC staff on the proposed requirements estimated to be \$63,360.
- *Decision Rationale.* Although the NRC did not quantify the benefits of this rule, the staff did qualitatively examine benefits and concluded that the rule would provide enhanced regulatory effectiveness and efficiency and enhanced openness of the regulatory process. The sum total of the requirements in the proposed rule would be to establish reporting of issues affecting closed ITAAC. Specifically, the proposed rule would require the following:

- (1) licensee reporting of new information materially altering the basis for determining that a prescribed inspection, test or analysis was performed as required, or finding that a prescribed acceptance criterion is met;
- (2) licensee documentation of the basis for all ITAAC notifications; and
- (3) licensee notification of completion of all ITAAC activities.

The proposed amendments would affect NRC licensees who have received a combined license and who have begun construction.

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## ACRONYMS AND ABBREVIATIONS

AEA	Atomic Energy Act of 1954, as amended
ADAMS	Agencywide Documents Access and Management System
CFR	<i>Code of Federal Regulations</i>
FR	<i>Federal Register</i>
ITAAC	Inspections, Tests, Analyses, and Acceptance Criteria
NRC	Nuclear Regulatory Commission
NUREG/BR	NRC Nuclear Regulation/Brochure
RG	Regulatory Guide

## **1. INTRODUCTION**

The NRC is proposing to amend the Title 10 of the *Code of Federal Regulations* (10 CFR) Parts 2 and 52 to specify additional requirements for reporting and record keeping of ITAAC activities. The NRC regulations in 10 CFR 52.99 require NRC licensees to provide an ITAAC closure letter once a licensee has successfully completed a required inspection, test, or analysis and determined that the associated acceptance criteria are met. This rulemaking would amend these regulations to identify other occasions where a notification of activities affecting closed ITAAC would be required. The proposed rule would also require licensee documentation of the bases for all ITAAC notifications required under 10 CFR 52.99(c), as well as make corrections to existing language in 10 CFR 52.99 for consistency with other sections in 10 CFR Part 52 and with language in the Atomic Energy Act, as amended (the Act). Finally, this rulemaking would amend 10 CFR 2.340(j) to correct errors and clarify ambiguous statements.

This regulatory analysis has been prepared in accordance with the Regulatory Analysis Guidelines (RA Guidelines) of the NRC, NUREG/BR-0058, Revision 4, September 2004. This regulatory analysis evaluates the consequences associated with the “Requirements for Maintenance of Inspections, Tests, Analyses, and Acceptance Criteria” proposed rule. This document presents background material, rulemaking objectives, alternatives, input assumptions, and analysis of the consequences of the rule language. The regulatory analysis consists of two parts. The first is an aggregate analysis of the proposed rule. The second part is a screening review for disaggregation to identify any individual provisions whose costs are disproportionate to the potential benefits.

The remainder of this introduction is divided into two sections. Section 1.1 states the problem and the objective of the rulemaking. Section 1.2 provides background information and Section 2 identifies the alternatives evaluated in this rulemaking. Section 3 describes the analysis method and input assumptions, Section 4 describes the results, Section 5 discusses the decision rationale, Section 6 the Implementation of the preferred alternative, and Section 7 lists the references used in this Regulatory Analysis.

### **1.1 Statement of the Problem**

As the NRC developed its processes for verification of nuclear power plant construction activities through ITAAC under a combined license, it became clear that there were a number of implementation issues left unaddressed by the existing provisions in 10 CFR Part 52. In particular, the NRC believes that additional notifications should be provided to the NRC by the combined license holder following the notification of ITAAC completion currently required by 10 CFR 52.99(c)(1). In general, the reasons for these proposed new notifications are to ensure that the NRC has sufficient information, in light of new information developed or identified after ITAAC completion and NRC notification, to complete all of the activities necessary for the Commission to make a determination on ITAAC, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing. Therefore, the NRC is proposing new provisions that apply after a licensee has completed an ITAAC and submitted an ITAAC closure letter.

## 1.2. Background

### 1.2.1 Current Regulatory Framework

In 54 FR 15371 (April 18, 1989), the Commission added 10 CFR 52.99, "Inspection during construction," to clearly reflect that inspections (carried out during construction under a combined license) would be based on ITAAC proposed by the applicant, approved by the staff, and incorporated in the combined license. At that time, the Commission made it clear that it would make no findings with respect to construction until the construction was complete. Nonetheless, 10 CFR 52.99 envisioned a "sign-as-you-go" process, whereby NRC staff signed-off on inspection units and notice of the staff's sign-off would be published in the *Federal Register*.

In 2007, the Commission revised 10 CFR Part 52 to enhance the NRC's license implementation and approval processes (72 FR 49351; August 28, 2007). In that revision, the NRC amended 10 CFR 52.99 to require licensees to notify the NRC that the prescribed inspections, tests, and analyses in the ITAAC were complete and that the acceptance criteria were met. The revision also required that notifications sufficiently demonstrate that the prescribed inspections, tests, and analyses were performed and the prescribed acceptance criteria were met. The NRC added this requirement to ensure that combined license applicants and holders were aware that (1) it was the licensee's burden to demonstrate compliance with the ITAAC and (2) the NRC expected the notification of ITAAC completion to contain more information than just a simple statement that the licensee believes the ITAAC had been completed and the acceptance criteria met.

Under Section 185.b of the AEA and 10 CFR 52.97(b), a combined license for a nuclear power plant must contain ITAAC that are "necessary and sufficient to reasonably assure that the facility was constructed and will operate in conformity with" the license, the AEA, and NRC regulations. Following issuance of the combined license, Section 189.b of the AEA and 10 CFR 52.99(e) require that the Commission "ensure that the prescribed inspections, tests, and analyses are performed." Finally, before operation of the facility, Section 189.b and 10 CFR 52.103(g) require that the Commission find that the "prescribed acceptance criteria are met." This Commission finding will not occur until construction is complete, near the date for scheduled initial fuel load.

As currently required by 10 CFR 52.99(c)(1), the licensee must submit ITAAC closure letters containing "sufficient information to demonstrate that the prescribed inspections, tests, and analyses have been performed and that the associated acceptance criteria have been met." These notification letters perform two functions, as discussed in the Supplementary Information for the 2007 final rule amending Part 52: (1) They alert the NRC to the licensee's ITAAC completion and ensure that the NRC has sufficient information to complete all of the necessary activities for the Commission to make a determination as to whether all of the ITAAC have been or will be met (the latter is relevant to any hearing on ITAAC under 10 CFR 52.103) before initial operation; and (2) They ensure that interested persons have access to completed and uncompleted ITAAC information at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing on acceptance criteria (72 FR 49352; August 28, 2007, at 49450 (second column)).

Following the 2007 rulemaking, the NRC began to develop ITAAC closure process guidance on the requirements under 10 CFR 52.99. In October 2009, the NRC issued regulatory guidance for the implementation of the revised 10 CFR 52.99 in Regulatory Guide (RG) 1.215, "Guidance

for ITAAC Closure Under 10 CFR Part 52,” which endorsed guidance developed by the Nuclear Energy Institute (NEI) in NEI 08-01, “Industry Guideline for the ITAAC Closure Process Under 10 CFR Part 52,” Revision 3, issued January 2009 (ADAMS Accession No. ML090270415).

The NRC realized (after a series of public meetings) that a number of additional implementation issues were left unaddressed by various provisions found in 10 CFR Part 52. In particular, the NRC believes that additional notifications should be provided to the NRC by the combined license holder following the notification of ITAAC completion currently required by 10 CFR 52.99(c)(1).

## **1.2.2 Regulatory Objectives**

The NRC’s objectives for the proposed rulemaking are to: (1) establish a new provision requiring licensees to report new information that materially alters the basis for determining that a prescribed inspection, test or analysis was performed as required, or finding that a prescribed acceptance criterion was met; (2) establish a new provision requiring licensees to document the basis for all ITAAC notifications; (3) establish a new provision to require licensees to notify NRC when all ITAAC activities are complete; and (4) make corrections to existing language in 10 CFR 2.340 and 52.99 to be consistent with other sections in 10 CFR Part 52 and with language in the AEA.

## **2. IDENTIFICATION OF ALTERNATIVE APPROACHES**

The following discussion describes the two regulatory options being considered, with additional analysis presented in Section 3.

### **2.1 Alternative 1: No-Action**

Under Option 1, the No-action alternative, NRC would not amend the current regulations regarding additional ITAAC notifications. The NRC would continue to work with industry to develop regulatory guidance to achieve the NRC’s goals. This option would avoid certain costs that the rule would impose. However, taking no action would not ensure that the NRC has sufficient information, in light of new information developed or identified after ITAAC completion, to complete all of the activities necessary for the Commission to make a determination on ITAAC, as required by the AEA, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the threshold for requesting a hearing. The baseline of the analysis is Option 1, the No-action alternative, for which there are no costs.

### **2.2 Alternative 2: Rulemaking to Amend Regulations to Add ITAAC Notification and Recordkeeping Requirements**

Under this option, NRC would conduct a rulemaking to amend its regulations in 10 CFR Part 52 related to verification of nuclear power plant construction activities through inspections, tests, analyses, and acceptance criteria (ITAAC) under a combined license. These changes are to: (1) amend 10 CFR 52.99(c)(3) to require licensee reporting of new information materially altering the basis for determining that a prescribed inspection, test or analysis was performed as required, or finding that a prescribed acceptance criterion is met; (2) amend 10 CFR 52.99(f) to require licensee notification of completion of all ITAAC activities, (3) amend 10 CFR 52.99(c)(4) to require licensee documentation of the basis for all ITAAC notifications, and (4) make

corrections to existing language in 10 CFR 2.340 and 52.99 to be consistent with other sections in 10 CFR Part 52 and with language in the AEA.

This alternative would be consistent with NRC's organizational excellence objectives of ensuring that its actions are efficient, effective, realistic, and timely. The rulemaking alternative is more efficient and effective than relying on voluntary actions by licensees to notify the NRC of these events. It would also be consistent with NRC's openness strategy. This alternative, through the rulemaking process, would provide for fair, timely, and meaningful stakeholder involvement in NRC's development of its ITAAC closure process.

The NRC has estimated the benefits and costs of this alternative, as described in Sections 3 and 4 of this regulatory analysis. The NRC has pursued Alternative 2: Rulemaking for the reasons discussed in Section 5.

### **3. ESTIMATION AND EVALUATION OF VALUES AND IMPACTS**

#### **3.1 Identification of Affected Attributes**

This section describes the analysis of private and public sector factors that the proposed rule is expected to affect. The analysis is conducted to identify and evaluate the benefits (values) and costs (impacts) of the two regulatory options, using the list of potential attributes provided in Chapter 5 of NUREG/BR-0184, "Regulatory Analysis Technical Evaluation Handbook," dated January 1997, and in Chapter 4 of NUREG/BR-0058, Rev. 5, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission," dated September 2004. The evaluation considered each attribute listed in Chapter 5. The basis for selecting those attributes is presented below. Section 3.1 identifies the attributes expected to be affected by the proposed rulemaking. Section 3.2 describes how the values and impacts have been analyzed. Finally, Section 3.3 presents the detailed results of the projected values and impacts.

Affected attributes include the following:

- *Industry Implementation* --The regulatory action would result in the need for combined license holders to read the amended regulations and develop procedures for processing notifications required by the proposed new provisions. The regulatory action would also require licensees to develop procedures for documenting the basis for all ITAAC notifications required under 10 CFR 52.99(c).
- *Industry Operation* -- The regulatory action would require combined license holders to: (1) report new information materially altering the basis for determining that a prescribed inspection, test or analysis was performed as required or finding that a prescribed acceptance criterion is met and (2) notify the NRC of completion of all ITAAC activities. The regulatory action would also require combined license holders to retain records of the bases for all ITAAC notifications required under 10 CFR 52.99(c) throughout construction and for five years after the date the Commission makes the finding under 10 CFR 52.103(g) that will allow fuel load and operation.
- *NRC Implementation* – The NRC would incur costs to develop rule guidance, develop the infrastructure to process the proposed new

notifications, develop inspection procedures for inspection activities triggered by the proposed new notifications, and develop and conduct NRC staff training on the new requirements.

- *NRC Operation* -- Under the regulatory actions, the NRC would incur costs to review licensee responses to the new reporting requirements of the proposed rule and to perform additional inspections as a result of the new reports.
- *Improvements in Knowledge* – The regulatory action would improve knowledge with regard to activities affecting closed ITAAC at facilities under construction.
- *Regulatory Efficiency* -- The regulatory action would improve regulatory efficiency by ensuring that the NRC has sufficient, timely information, in light of new information developed or identified after ITAAC completion and NRC notification, to complete all of the activities necessary for the Commission to make a determination on ITAAC, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing.
- *General Public* -- The regulatory action would improve the general public's ability to participate effectively in the licensing process by ensuring that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189a(1)(B) threshold for requesting a hearing.

Attributes that are *not* expected to be affected by the rulemaking options include the following:

- Occupational Health (Routine);
- Occupational Health (Accident);
- Public Health (Routine);
- Public Health (Accident);
- Off-site Property;
- On-site Property;
- Environmental Considerations;
- Antitrust Considerations;
- Other Government;
- Safeguards and Security Considerations

### **3.2 Analytical Methodology**

This section describes the methodology used to analyze the consequences associated with the proposed rule. The values (benefits) include any desirable changes in the affected attributes. The impacts (costs) include any undesirable changes in affected attributes.

The NRC collected input assumptions using data and information from the following sources: NRC workgroups and staff experience; NRC databases; and reports and documents.

As described in Section 3.1, the attributes expected to be affected include the following:

- Industry Implementation
- Industry Operation

- NRC Implementation
- NRC Operation
- Improvements in Knowledge
- Regulatory Efficiency
- General Public

This analysis relies on a qualitative evaluation for several of the affected attributes (e.g., improvements in knowledge, regulatory efficiency, and general public) due to difficulty in quantifying the impact of the current rulemaking. The remaining attributes (industry implementation, industry operation, NRC implementation, and NRC operation) are evaluated quantitatively. The analysis proceeds quantitatively for these attributes and makes assumptions as discussed in Section 3.2.1.

In accordance with Office of Management and Budget guidance and NUREG/BR-0058, Rev. 4, the results of the analysis are presented using both 3 percent and 7 percent real discount rates. The NRC seeks public comments on the accuracy of these regulatory analysis assumptions and on the validity of the proposed rules value and impact estimation methods.

### **3.2.1 Data and Assumptions**

#### 3.2.1.1 Affected Entities

##### Licensees

This regulatory action would affect combined license holders who have begun ITAAC closure activities. The NRC estimates that this could affect 17 licensees over the next 20 years, based on the published schedules for combined license applications currently under NRC review.

##### NRC

NRC costs for implementing this regulation would be incurred primarily by the Office of New Reactors. There would also be costs incurred by Region II for additional inspections.

#### 3.2.1.2 Other Data and Attributes

- Assumed labor rate for NRC staff is \$120 per hour and for licensee personnel is \$100 per hour.
- Ongoing costs of operation related to the rule are assumed to begin in 2011, and are modeled on an annual cost basis. Ongoing costs related to the No-Action Alternative are assumed to be ongoing and begin in 2011 and are modeled on an annual cost basis.
- The analysis calculated cost and savings over a 4-year construction timeframe and a 3-year post-construction recordkeeping period, with each year's costs or savings discounted back at a 7-percent and 3-percent discount rate, in accordance with NUREG/BR-0058, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission," Rev. 4.

- For the analysis, annual costs have been multiplied by 1.2 to capture inflationary cost increases incurred by the 17 licensees constructing over a 20 year staggered time-frame.
- For the analysis, the NRC assumed that all combined license applications currently under active review would be approved and issued on their current published schedules. In addition, the NRC assumed that each combined license holder would begin construction upon issuance of the combined license and that construction would span a period of 4 years. The NRC also assumed that each licensee would submit 6 supplemental ITAAC closure notifications per year of construction and that 2 of those supplemental notifications would result in additional NRC inspection.
- Finally, for analysis of the recordkeeping requirements, the NRC assumed that, on average, ITAAC closure records would need to be retained for 7 years (2 years during construction and 5 years after the 10 CFR 52.103(g) finding).

### 3.3 Detailed Results

This section presents a detailed estimate of the values and impacts for the proposed rulemaking (Option 2). Some values and impacts are addressed qualitatively for reasons discussed in Section 3.2. These results are summarized in Table 3.

#### Option 1: No-action

By definition, this option does not result in any values or impacts.

#### Option 2: Amend Regulations to Add ITAAC Notification and Recordkeeping Requirements

##### Industry Implementation

Impact: Read the amended regulations.

- One time incremental effort of 1.5 hours per licensee.

Impact: Develop procedures for processing notifications required by the proposed new provisions.

- One time incremental effort of 80 hours per licensee.

Impact: Develop procedures for documenting the basis for all ITAAC notifications required under 10 CFR52.99(c).

- One time incremental effort of 80 hours per licensee.

##### Industry Operation

Impact: Report new information materially altering the ITAAC determination basis.

- Effort of 1.5 hours per licensee for each early notification under

- 10 CFR 52.99(c)(3)(i).
- Effort of 20 hours per licensee for each supplemental ITAAC closure letter under 10 CFR 52.99(c)(3)(ii).

Impact: Submit All ITAAC Complete Letter under 10 CFR 52.99(f).

- Effort of 8 hours per licensee.

Impact: Recordkeeping:

- 20 hours per ITAAC for each licensee to develop records documenting the basis for all ITAAC notifications required under 10 CFR 52.99(c) and 1 hour per year per ITAAC for each licensee to maintain records (810 hours per year per licensee).

### NRC Implementation

Impact: Develop rule guidance:

- One time incremental effort of 200 hours to develop new guidance or revise existing guidance.

Impact: Develop infrastructure to process supplemental ITAAC notifications and All ITAAC Complete notifications:

- One time incremental effort of 160 hours of labor.

Impact: Develop inspection procedures for inspection of activities triggered by early notification of ITAAC maintenance issues under 10 CFR 52.99(c)(3)(i):

- One time incremental effort of 80 hours.

Impact: Develop and conduct NRC staff training on new requirements.

- One time incremental effort of 40 hours.

### NRC Operation

Impact: Review and process early notifications required by 10 CFR 52.99(c)(3)(i):

- Incremental effort of 8 hours per report to collect, review, and process early notifications.

Impact: Review and process supplemental ITAAC closure notifications under 10 CFR 52.99(c)(3)(ii):

- Incremental effort of 20 hours per report.

Impact: Perform unplanned inspection of ITAAC maintenance issues:

- Annual incremental effort of 20 hours per licensee.

Impact: Review and process All ITAAC Complete notification under 10 CFR 52.99(f)(1)

- Incremental effort of 8 hours per report to collect, review, and process.

**Table 3**  
**Quantitative Results**  
Value (+) or Impact (-)

	One-time Implementation Costs	*Annual Operating Costs
Industry Costs	**\$274,555	\$2,013,480
NRC Costs	\$63,360	\$509,184
Total	\$337,915	\$2,522,664

\*Annual Operating costs have been factored by 1.2 to account for inflation over the 20 year construction period that the 17 licensees will be constructing plants.

\*\*The one-time industry reporting cost of \$27,540,000 is not reflected here, because it is not an implementation cost.

#### 4. PRESENTATION OF RESULTS

##### 4.1 Values and Impacts

This section presents results of values and impacts (i.e., costs) that are expected to be derived from the proposed rule. To the extent that the affected attributes could be analyzed quantitatively, the net effect of each alternative has been calculated and is presented below. However, some values and impacts could be evaluated only on a qualitative basis.

The results of the value-impact analysis are summarized in Tables 4-1 and 4-2. Table 4-3 provides the cost comparison for the two alternatives. The Rulemaking Alternative would result in additional costs when compared to the No-Action Alternative. The quantitative impact estimated for the Rulemaking Alternative is in the millions. The rulemaking is estimated to cost between \$39,443,488 and \$41,092,239 (7-percent and 3-percent discount rate, respectively). Costs are mostly borne by industry.

**TABLE 4-1**

Summary of Benefits/Savings and Costs/Burdens

Net Monetary Savings (or Costs) – Total Present Value in millions	Non-Monetary Benefits/Costs
<p><b>Alternative 1: No Action</b></p> <p><b>Industry:</b> \$0</p> <p><b>NRC:</b> \$0</p>	<p><u>Qualitative Benefits:</u> None.</p> <p><u>Qualitative Costs:</u> Regulatory Efficiency: Regulatory efficiency would be reduced by not providing the most efficient timely ITAAC completion notifications.  General Public: The general public’s ability to participate effectively in the licensing process could be reduced because taking no action would not ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing.</p>
<p><b>Alternative 2: Rulemaking</b></p> <p><b>Industry:</b> (\$39.46) using a 3% discount rate (\$37.94) using a 7% discount rate</p> <p><b>NRC:</b> (\$1.63) using a 3% discount rate (\$1.50) using a 7% discount rate</p>	<p><u>Qualitative Benefits:</u> Improvements in Knowledge: Increase knowledge of closed ITAAC at facilities under construction.  Regulatory Efficiency: Improve regulatory efficiency by ensuring that the NRC has sufficient, timely information, in light of new information developed or identified after ITAAC completion and NRC notification.  General Public: Improve the general public’s ability to participate effectively in the licensing process.</p> <p><u>Qualitative Costs:</u> None.</p>

Table 4-2 presents the net impact of the rule. A positive value below is a cost. A number in parentheses is a negative cost, or a savings.

**Table 4-2: Net Impact of Alternatives 1 and 2**

Regulatory Alternative	Total at 3% discount rate (\$)	Total 7% discount rate (\$)
1. No-Action	\$0	\$0
2. Rulemaking	\$41,092,239	\$39,443,488

\*Reporting was recorded over a 4 year timeframe and recordkeeping over a 7 year timeframe. This was factored by 1.20 for inflationary considerations (see attributes section for further information).

There are no “new” substantial costs to industry associated with the No-Action Alternative. No changes would be made to the regulation.

There are no quantifiable values (i.e. benefits) associated with the rule. The qualitative values of the rule are associated with improved regulatory efficiency by ensuring that the NRC has sufficient, timely information, in light of new information developed or identified after ITAAC completion and NRC notification, to complete all of the activities necessary for the Commission to make a determination on ITAAC, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing. This has a beneficial effect on the attributes of improvements in knowledge, regulatory efficiency, and general public

Table 4-3 shows the estimated costs by attribute.

**Table 4-3: Estimated Values and Impacts by Attribute**

Attribute	Alternative 2: Rulemaking Total Cost (million \$)	
	3% Discount	7% Discount
Industry Implementation	(.27)	(.27)
Industry Operation	(39.19)	(37.67)
NRC Implementation	(.06)	(.06)
NRC Operation	(1.57)	(1.44)
<b>Total</b>	<b>(41.09)</b>	<b>(39.44)</b>

Note: Total may differ from sum of values due to rounding.

\*4 years have been considered for ITAAC reporting and 7 years for ITAAC recordkeeping purposes

## 5. DECISION RATIONALE

NRC's current regulations in 10 CFR 52.99 require licensees to notify the NRC that the prescribed inspections, tests, and analyses in the ITAAC were complete and that the acceptance criteria were met. As the NRC developed its processes for verification of nuclear power plant construction activities through ITAAC under a combined license, it became clear that there were a number of implementation issues left unaddressed by the existing provisions in 10 CFR Part 52. In particular, the NRC believes that additional notifications should be provided to the NRC by the combined license holder following the notification of ITAAC completion currently required by 10 CFR 52.99(c)(1). In general, the reasons for these proposed new notifications are to ensure that the NRC has sufficient information, in light of new information developed or identified after ITAAC completion and NRC notification, to complete all of the activities necessary for the Commission to make a determination on ITAAC, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing. Therefore, the NRC is proposing new provisions that apply after a licensee has completed an ITAAC and submitted an ITAAC closure letter.

## **5.1 Aggregate Analysis**

Two alternatives were evaluated in this Regulatory Analysis. Alternative 1, the No-Action Alternative, would maintain the regulations as currently written and the NRC would continue to work with industry to develop regulatory guidance to achieve the NRC's goals. This option would avoid certain costs that the rule would impose. However, taking no action would not ensure that the NRC has sufficient information, in light of new information developed or identified after ITAAC completion, to complete all of the activities necessary for the Commission to make a determination on ITAAC, as required by the AEA, and to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the threshold for requesting a hearing.

Alternative 2, the Rulemaking Alternative, would amend NRC regulations to: (1) amend 10 CFR 52.99(c)(3) to require licensee reporting of new information materially altering the basis for determining that a prescribed inspection, test or analysis was performed as required, or finding that a prescribed acceptance criterion is met; (2) amend 10 CFR 52.99(f) to require licensee notification of completion of all ITAAC activities, (3) amend 10 CFR 52.99(c)(4) to require licensee documentation of the basis for all ITAAC notifications, and (4) make corrections to existing language in 10 CFR 2.340 and 52.99 to be consistent with other sections in 10 CFR Part 52 and with language in the Act. Alternative 2 would improve regulatory efficiency by ensuring that the NRC has sufficient, timely information, in light of new information developed or identified after ITAAC completion and NRC notification, to complete all of the activities necessary for the Commission to make a determination on ITAAC, and ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189a(1)(B) threshold for requesting a hearing. Therefore, the Rulemaking Alternative is the preferred approach.

## **5.2 Disaggregation Analysis**

The NRC has prepared an analysis of the impact of the changes (Appendix A) that identifies each provision affected by the rulemaking and determines its contribution to the overall cost of the proposed rule. The NRC has determined that each individual requirement is needed for the regulatory initiative to resolve the problems and concerns and meet the stated objectives that are the focus of the regulatory initiative, as illustrated in Table 5-1 below. The NRC also performed an analysis to identify any individual provision that could impose cost disproportionate to the benefits attributable to each provision. The NRC has concluded that there are no provisions whose costs are disproportionate to the benefits and whose inclusion in the aggregate analysis could mask the impact of this rulemaking.

**Table 5-1: Disaggregation Analysis**

Rule Objectives	52.99(c)(3)(i)	52.99(c)(3)(ii)	52.99(f)(1)	52.99(f)(2)	52.99(c)(4)
	New information on ITAAC closure	Supplemental ITAAC closure notification	All ITAAC Complete notification	24-hour notification of new information	ITAAC closure records
NRC has information to support inspections	X			X	X
NRC has sufficient information for ITAAC finding	X	X	X	X	X
Interested persons have access to ITAAC information		X			

**6. IMPLEMENTATION**

The staff is recommending that the final rule be effective 30 days after publication in the *Federal Register*. The industry has proactively been revising their own guidance document to require many of the things that would be imposed by this proposed rule. Therefore, the NRC expects that combined license holders will already be planning for these reports and records by the time this rule is promulgated, should it be adopted by the NRC in a final rule.

**7. REFERENCES**

NUREG/BR-0058, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission," Rev. 4.

NUREG/BR-0184, "Regulatory Analysis Technical Evaluation Handbook, Final Report," Office of Nuclear Regulatory Research, January 1997.

SECY-09-0119, "Staff Progress in Resolving Issues Associated with Inspections, Tests, Analyses and Acceptance Criteria," August 26, 2009.

SRM-M090922 - "Staff Requirements - Periodic Briefing on New Reactor Issues - Progress in Resolving Issues Associated with Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC), 9:30 A.M., Tuesday, September 22, 2009," October 16, 2009.

Regulatory Guide 1.215, "Guidance for ITAAC Closure Under 10 CFR Part 52," Revision 0, October 31, 2009.

NEI 08-01, "Industry Guideline for the ITAAC Closure Process Under 10 CFR Part 52," Revision 3, January 2009."

## Appendix: Analysis Details

### 52.99(c)(3)(i) New Information on ITAAC Closure.

NRC's current regulations in 10 CFR 52.99 require licensees to notify the NRC that the prescribed inspections, tests, and analyses in the ITAAC were complete and that the acceptance criteria were met. The NRC believes that additional notifications should be provided to the NRC by the combined license holder following the notification of ITAAC completion currently required by 10 CFR 52.99(c)(1). The proposed revisions would require licensees to notify the NRC of new information materially altering the basis for determining that a prescribed inspection, test or analysis was performed as required or finding that a prescribed acceptance criterion is met. The notification would be required to be by e-mail to [hoo.hoc@nrc.gov](mailto:hoo.hoc@nrc.gov), which is the preferred method of notification, by facsimile to the NRC Operations Center at (301) 816-5151, or by telephone at (301) 816-5100 within 7 days following licensee determination that the new information materially alters the basis for determining that a prescribed inspection, test or analysis was performed as required or finding that a prescribed acceptance criterion is met.

#### *NRC Costs to Review Early Notifications*

Cost of NRC staff time	\$120
Hours of NRC staff time	x 8
Average Annual No. of ITAAC per Licensee	x 6
Number of Licensees	x <u>17</u>
<b>Total Annual Early Notification Review Costs</b>	<b>(\$97,920)</b>
Years to Complete Plant Construction	x 4
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>
<b>TOTAL NRC EARLY NOTIFICATION REVIEW COSTS</b>	<b>(\$470,016)</b>

#### *NRC Costs to Perform Unplanned ITAAC Inspections*

Cost of NRC staff time	\$120
Hours of NRC staff time	x 20
Average Annual No. of ITAAC per Licensee	x 2
Number of Licensees	x <u>17</u>
<b>Total Annual Unplanned ITAAC Complete Inspection Costs</b>	<b>(\$81,600)</b>
Years to Complete Plant Construction	x 4
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>
<b>TOTAL NRC UNPLANNED ITAAC COMPLETE INSPECTION COSTS</b>	<b>(\$391,680)</b>

### *Licensee Early Notification Costs*

Cost of Licensee staff time	\$100
Hours of Industry staff time	x 1.5
Average Annual No. of ITAAC per Licensee	x 6
Number of Licensees	x <u>17</u>
<b>Total Annual Licensee Early Notification Costs</b>	<b>(\$15,300)</b>
Years to Complete Plant Construction	x 4
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>
<b>TOTAL LICENSEE EARLY NOTIFICATION COSTS</b>	<b>(\$73,440)</b>

### *NRC One Time Costs for Developing Inspection Procedures*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>80</u>
<b>Total NRC One Time Costs for Developing Inspection Procedures</b>	<b>(\$9,600)</b>

### *NRC One Time Costs – Developing Guidance*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>60</u>
<b>Total NRC One Time Costs for Developing Guidance</b>	<b>(\$7,200)</b>

### *NRC One Time Costs – Developing Processing Infrastructure*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>48</u>
<b>Total NRC One Time Costs for Develop Processing Infrastructure</b>	<b>(\$5,760)</b>

### *NRC One Time Costs – Conducting Staff Training*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>12</u>
<b>Total NRC One Time Costs for Conducting Staff Training</b>	<b>(\$1,440)</b>

*Licensee One Time Costs – Developing Processing Procedures*

Cost of Industry staff time	\$100
Number of Licensees	x 17
Hours of Industry staff time	x <u>24</u>
<b>Total Industry One Time Costs for Developing Processing Procedures</b>	<b>(\$40,800)</b>

## **52.99(c)(3)(ii) Supplemental ITAAC Closure Notification**

The proposed revisions would require the licensee, after submitting a notification under paragraph (c)(3)(i), to submit a supplemental ITAAC closure notification documenting the resolution of the issue which prompted the paragraph (c)(3)(i) report. The information provided in the notification should be at a level of detail comparable to the ITAAC closure notification under paragraph (c)(1). The dual purposes of the proposed paragraph (c)(3)(ii) notification are (1) to ensure that the NRC has sufficient information, in light of new information developed or identified after the ITAAC closure notification under 10 CFR 52.99(c)(1), to complete all of the activities necessary for the Commission to make a determination on ITAAC, and (2) to ensure that interested persons have access to information on ITAAC at a level of detail sufficient to address the AEA Section 189.a(1)(B) threshold for requesting a hearing.

### *NRC Costs to Review/Process Supplemental ITAAC*

Cost of NRC staff time	\$120
Hours of NRC staff time	x 20
Average Annual No. of ITAAC per Licensee	x 6
Number of Licensees	x <u>17</u>
<b>Total Annual ITAAC Complete Notification Costs</b>	<b>(\$244,800)</b>
Years to Complete Plant Construction	x 4
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>
<b>TOTAL NRC REVIEW/PROCESS COSTS</b>	<b>(\$1,175,040)</b>

### *Licensee Costs Supplemental ITAAC Closure*

Cost of Licensee staff time	\$100
Hours of Industry staff time	x 20
Average Annual No. of ITAAC per Licensee	x 6
Number of Licensees	x <u>17</u>
<b>Total Annual Supplemental ITAAC Closure Costs</b>	<b>(\$204,000)</b>
Years to Complete Plant Construction	x 4
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>
<b>TOTAL LICENSEE SUPPLEMENTAL ITAAC CLOSURE COSTS</b>	<b>(\$979,200)</b>

*NRC One Time Costs – Developing Guidance*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>120</u>
<b>Total NRC One Time Costs for Developing Guidance</b>	<b>(\$14,400)</b>

*NRC One Time Costs – Develop Processing Infrastructure*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>96</u>
<b>Total NRC One Time Costs for Develop Processing Infrastructure</b>	<b>(\$11,520)</b>

*NRC One Time Costs – Conducting Staff Training*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>24</u>
<b>Total NRC One Time Costs for Conducting Staff Training</b>	<b>(\$2,880)</b>

*Licensee One Time Costs – Developing Processing Procedures*

Cost of Industry staff time	\$100
Number of Licensees	x 17
Hours of Industry staff time	x <u>48</u>
<b>Total Industry One Time Costs for Developing Processing Procedures</b>	<b>(\$81,600)</b>

## **52.99(c)(4) ITAAC Closure Documentation**

The proposed revisions would require that licensees maintain records of the bases for determining whether a notification of new information on ITAAC closure under 10 CFR 52.99(c)(3)(i) is required and records of the bases for all notifications required under 10 CFR 52.99(c). This would include records supporting initial ITAAC closure letters under paragraph (c)(1), uncomplete ITAAC notifications under paragraph (c)(2), supplemental ITAAC closure letters under (c)(3). The onsite ITAAC closure package would provide the technical basis for the licensee's submittals under 10 CFR 52.99(c). As such, it can be viewed as a "roadmap" documenting how the licensee has established that the activities related to verifying that the ITAAC acceptance criteria are met were accomplished. Licensees would be required to retain these records for a period of 5 years after the date the Commission makes the finding under 10 CFR 52.103(g).

### *Annual – ITAAC Closure Documentation*

Cost of Industry staff time	\$100
Hours of Industry staff time	x 1
Number of ITAAC per Licensee	x 810
Number of Licensees	x <u>17</u>

<b>Total Annual ITAAC Closure Documentation</b>	<b>(\$1,377,000)</b>
Average Years Needed for Recordkeeping	x 7
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>

**ITAAC CLOSURE DOCUMENTAATION COSTS (Annualized) (\$11,566,800)**

### *One Time Recordkeeping - ITAAC Closure Documentation*

Cost of Industry staff time	\$100
Hours of Industry staff time	x 20
No. of ITAAC per Licensee	x 810
Number of Licensees	x <u>17</u>

**ITAAC CLOSURE DOCUMENTATION COSTS (One Time) + (\$27,540,000)**

**TOTAL ITAAC CLOSURE DOCUMENTATION COSTS (\$39,106,800)**

*One Time Costs – Developing Documenting Procedures*

Cost of Industry staff time	\$100
Number of Licensees	x 17
Hours of Industry staff time	x <u>80</u>

**Total Industry One Time Costs for Developing Documenting Procedures (\$136,000)**

## **52.99(f) All ITAAC Complete Notification**

The proposed revisions would require licensees to notify the NRC that all ITAAC are complete. At the time the licensee submits the all ITAAC complete notification, the NRC would expect that all activities requiring supplemental ITAAC closure letters have been completed, that the associated ITAAC determination bases have been updated, and that all required notifications under paragraphs (c)(3) have been made.

### *Licensee All ITAAC Complete Notification*

Cost of Industry staff time	\$100
Hours of Industry staff time	x 8
Average Annual No. of ITAAC per Licensee	x 6
Number of Licensees	x <u>17</u>
<b>Total Annual All ITAAC Complete Notification Costs</b>	<b>(\$81,600)</b>
Years to Complete Plant Construction	x 4
Inflationary Ratio to account for 20 year Construction Period	x <u>1.2</u>
<b>ALL ITAAC COMPLETE NOTIFICATION COSTS</b>	<b>(\$391,680)</b>

### *Licensee One Time Costs – Developing Processing Procedures*

Cost of Industry staff time	\$100
Number of Licensees	x 17
Hours of Industry staff time	x <u>8</u>
<b>Total Industry One Time Costs for Developing Processing Procedures</b>	<b>(\$13,600)</b>

### *NRC One Time Costs – Developing Guidance*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>20</u>
<b>Total NRC One Time Costs for Developing Guidance</b>	<b>(\$2,400)</b>

### *NRC One Time Costs – Develop Processing Infrastructure*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>16</u>
<b>Total NRC One Time Costs for Develop Processing Infrastructure</b>	<b>(\$1,920)</b>

*NRC One Time Costs – Conducting Staff Training*

Cost of NRC staff time	\$120
Hours of NRC staff time	x <u>4</u>
<b>Total NRC One Time Costs for Conducting Staff Training</b>	<b>(\$480)</b>