

June 8, 1999

MEMORANDUM William D. Travers

TO: Executive Director for Operations

FROM: Annette Vietti-Cook, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-98-300 - OPTIONS FOR RISK-INFORMED REVISIONS TO 10 CFR PART 50 - "DOMESTIC LICENSING OF PRODUCTION AND UTILIZATION FACILITIES"

Option 1

The Commission has approved the staff's recommendation that current rulemaking activities identified under Option 1 continue unimpeded (50.59, 50.72, 50.73, 50.55a, and the new 50.67).

Option 2

The Commission has approved implementation of Option 2 to develop risk-informed definitions for "safety-related" and "important to safety" SSCs. This option would make changes to the scope of systems, structures, and components covered by those sections of Part 50 requiring special treatment (e.g., Quality Assurance, Environmental Qualification, Technical Specifications, 50.59, ASME code, 50.72, and 50.73). This effort should proceed with early internal and external stakeholder discussions and utilization of industry pilot studies involving the use of exemptions to assist in the development of the Part 50 modifications.

Regarding the overall scope of the Maintenance Rule (50.65), the Commission has approved changing the existing scope to conform to the risk-informed regulatory framework being developed as part of Option 2. A rulemaking plan should be developed for Option 2 which reflects the incorporation of the Maintenance Rule activities.

(EDO)

(SECY Suspend: 10/31/99)

Option 3

The Commission has approved the staff's recommendation to study Option 3. The staff should pursue this study on an aggressive timetable and provide, for Commission approval, a schedule for this activity. The staff should periodically inform the Commission on progress made in the study. The study should determine how best to proceed with risk-informing the remaining sections of Part 50. During this study, if the staff identifies a regulatory requirement which warrants prompt revision because such a change would significantly enhance safety or significantly reduce unnecessary regulatory burden, the Commission should be notified and provided with a recommended course of action. Otherwise, once this study phase is completed, the staff should provide, for Commission approval, a detailed plan outlining its recommendations regarding specific regulatory changes that should be pursued.

(EDO)

(SECY Suspend: 9/30/99)

Policy Issues

1. Voluntary vs. Mandatory Conformance with Modified 10 CFR Part 50

The Commission has approved the staff's recommendation that risk-informed implementation of Part 50 should be voluntary for licensees. As the staff proceeds with its efforts to risk-inform Part 50, it should provide the Commission with additional information regarding how it will manage voluntary implementation. The Commission has disapproved the staff's recommendation that selective implementation not be allowed. This issue is prematurely before the Commission. A future Commission will be better able to judge the issue of selective implementation after rules are drafted and rulemakings provide comment on this issue as it affects that rule. A "no selective implementation" approach will adversely affect NRC's ability to solicit industry pilot participants.

2. Industry Pilot Studies with Selected Exemptions to Part 50

The Commission has approved the staff's recommendation regarding the use of industry pilot studies involving the use of exemptions to assist in the development of the Part 50 modifications.

3. Modification of the Scope of the Maintenance Rule Section (a)(3)/(a)(4).

The Commission has approved continuation of the expeditious revision of 50.65(a)(3)/(a)(4), as discussed at the Commission meeting of May 5, 1999. Specific Commission direction regarding the rule language and development of the regulatory guidance was provided in the SRM on the Maintenance Rule Commission briefing of May 5, 1999, which was issued on May 13, 1999.

4. Clarification of Staff Authority for Applying Risk-Informed Decision Making

The Commission has approved the staff's recommendation that additional guidance be developed to provide clarification on staff authority for applying risk-informed processes in regulatory activities beyond risk-informed licensing actions. This clarifying guidance should be submitted for Commission approval.

(EDO)

(SECY Suspense: 9/30/99)

The staff should: 1) continue to work with stakeholders in risk-informing Part 50; 2) provide sufficient staff resources and management oversight to these high priority initiatives to ensure effective development of the risk-informed regulatory structure and timely completion of pilot plant applications; and 3) bring policy issues promptly to the attention of the Commission.

While moving towards a risk-informed regulatory framework, the staff should keep in mind that the use of quantitative risk analyses may not be appropriate for all applications, and therefore, should not be force-fit into areas that are not amenable to such an approach.

As we proceed with risk-informing Part 50, the Executive Council should take an active leadership role and ensure that the Planning, Budgeting, and Performance Management process is effectively utilized to allocate agency resources to this effort.

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield
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