

August 18, 1998

MEMORANDUM TO: L. Joseph Callan Executive Director for Operations  
Karen D. Cyr  
General Counsel

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS: PUBLIC MEETING ON STAKEHOLDERS CONCERNS, 10:00 A.M.  
FRIDAY, JULY 17, 1998, ACRS CONFERENCE ROOM, TWO WHITE FLINT NORTH,  
ROCKVILLE, MARYLAND

The Commission met with a selected group of stakeholders representing the nuclear industry, public interest groups, and informed individuals as well as the NRC staff to conduct a dialogue on the NRC's nuclear reactor and spent fuel regulatory programs. The Commission discussed stakeholder concerns about the NRC and its regulatory programs and potential short and long term actions to address those concerns. During the course of the meeting, the participants identified a number of possible improvements in NRC activities, including the following:

1. establish new, integrated, inspection and assessment processes utilizing the expertise of personnel from both the agency and the industry;
2. an improved safety focus in, and thorough reform of, NRC's Enforcement Policy. Particular note was made of problems with non-escalated enforcement;
3. expeditious development of risk-informed regulation and consideration of performance-based regulation activities, where appropriate, with priority assigned to areas where there is a clear expectation of a cost savings and/or safety benefit (e.g., 10 CFR Part 50, Appendix B), including improved management of risk-informed pilot projects and greater use of their results. Stakeholders should be invited to submit petitions for rulemaking in these areas, and the staff should commit the resources necessary to promptly respond to such petitions. The level of precision demanded in PRA models should be commensurate with the safety significance of the application of the PRA;
4. stricter application of the backfit rule;
5. increased management attention on assuring that NRC interactions at the plant, regional, and headquarters levels reflect agency policy and direction rather than individualized interpretations of NRC requirements;
6. improve the timeliness and effectiveness of NRC's use of resources in processing licensing actions, including the transfer of licenses to non-electric utility owners; completing enforcement actions; acting on 2.206 petitions and petitions for rulemaking; promulgating formal rulemakings; and plant decommissioning actions;
7. consideration of informal or legislative-style hearings instead of formal adjudicatory hearings, particularly for issues such as license renewal and license transfers;
8. improve communications between the Agency and its stakeholders, particularly through the use of cooperative efforts. Reduce duplication of effort between the industry and the NRC by working with industry to produce standards acceptable to both parties, drawing upon prior experience in NRC/industry participation in code writing groups, and including mechanisms to promptly resolve points of disagreement;
9. expeditious certification of dry cask storage containers for spent fuel;
10. establishment and systematic application (through-out the licensing, inspection, assessment, and enforcement processes) of a clear standard of "safety significance" and elimination of vague terms such as "regulatory significance";
11. elimination of regulatory ambiguities in defining the content of the FSAR, in the definition of design bases with respect to safety margins, and in implementation of 10 CFR Part 50.59;
12. establishment of an assessment team to improve the regulatory process;
13. the lack of continuity in the personnel assigned to particular staff reviews, and the need to provide for greater continuity;
14. the use of Confirmatory Action Letters, particularly possible use to impose requirements on licensees in an undisciplined way; and
15. the quest for perfection in regulatory processes, which can needlessly lead to delay and impede reforms (in areas such as QA and inservice inspection), and how to bring about an adequacy, or "good enough," standard.

The Commission considered these as well as issues raised within the Senate authorization hearing on July 30, 1998 and identified a set of high priority tasks for staff action in a separate memorandum from the Chairman to the Executive Director for Operations dated August 7, 1998. The staff should assure that their response to the Chairman's memorandum addresses the areas listed above.

cc: Chairman Jackson  
Commissioner Diaz  
Commissioner McGaffigan  
CIO  
CFO  
OIG  
OCA  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (by E-Mail)  
PDR  
DCS