

January 27, 1999

MEMORANDUM TO: William D. Travers
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - MEETING ON NRC RESPONSE TO STAKEHOLDERS' CONCERNS,
9:00 A.M., FRIDAY, NOVEMBER 13, 1998, NRC AUDITORIUM, TWO WHITE FLINT NORTH,
ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

The Commission met with a selected group of stakeholders representing the nuclear industry, public interest groups, a state representative, informed individuals, and the NRC staff to conduct a follow up discussion on power reactor regulatory reform. The participants were requested to review the NRC's plan to reform regulatory processes and to comment on the plan. In general, stakeholders were complimentary of NRC efforts to reform the regulatory processes.

The staff should consider the comments and discussion provided during the course of the meeting and incorporate the material, as appropriate, as the NRC progresses with the plan and other activities. Major points and concerns are summarized in the [attachment](#).

The Commission commends the staff on their significant efforts and accomplishments to date associated with the NRC's plan to reform regulatory processes. The Commission appreciates the hard work and dedication demonstrated by the staff in this reform initiative and encourages the staff to continue to solicit feedback from stakeholders so that this initiative can benefit from their insights. The staff should plan for another stakeholder meeting, to be held in four to five months. After two more stakeholders meetings at approximately 5-month intervals, the staff should evaluate the stakeholders meeting process and recommend to the Commission, any changes in venue, participants, or general meeting structure based on lessons learned to date.

(SECY)

(SECY Suspense: 4-5/99 and 5 months
thereafter)

Attachment: As stated

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield
OGC
CFO
CIO
OCA
OIG
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR - Advance
DCS - P1-17

ATTACHMENT 1

The following major issues or concerns were compiled by the Secretary of the Commission from a review of the meeting transcript.

1. The elimination of the Office for Analysis and Evaluation of Operational Data, suspension of the Systematic Assessment of Licensee Performance program, and the reduction of Level IV violations.
2. Incorporate the lessons learned from the maintenance rule into the action plan. It is not possible in many instances to risk-inform requirements which are embedded in traditional prescriptive process-driven regulations and guidance (e.g., inspection guidance). Adopt the Advisory Committee on Reactor Safeguards recommendation for a two tier system as a transitional mechanism. The maintenance rule scope is too broad and about two-thirds of the structures, systems, and components are not risk-significant. The change to require that removal of equipment from service not

place a plant in a risk-significant condition needs clarification. The task of risk evaluation for the current broad scope of the rule is impractical. The rule is largely compliance-based and needs to be more performance-based. Ensure that enforcement of the rule recognizes its original intent and reflects the risk-informed, performance-based process. Utilize performance-based approaches to regulation. Clarify definitions such as availability and unavailability.

3. Change requires clarity of purpose, constant communication, training, persistence, and hard work. The NRC needs to be a more predictable, objective, and responsive nuclear regulator.
4. The new plant assessment process needs to be objective and safety-focused.
5. Increased information sharing may be appropriate to reduce duplication and administrative burdens.
6. The NRC does not have the mechanism to ensure that the processes described in the plan are consistently implemented or to evaluate revised processes to gauge whether the goals have been fulfilled. The NRC lacks a functioning self-assessment and corrective action program.
7. The baseline level of inspection needs to be defined.
8. Deconstruct the bureaucracy and emphasize creativity and partnerships (e.g., licensees, States, and others interested parties). Improve public understanding of issues.
9. The new culture needs to be defined as well as the vision.
10. Decommissioning needs to be addressed. On the shutdown emergency preparedness rule, States should be involved.
11. The Commission's practice in implementing the Government in the Sunshine Act inhibits a healthy and open exchange of perspectives on issues pending before the Commission.
12. The threat of Confirmatory Action Letters, Confirmatory Orders, and other regulatory arm twisting mechanisms must be eliminated.
13. The regulatory objective should be to achieve a safety-focused, results-oriented and accountable regulatory Commission whose regulations objectively define adequate protection of public health and safety and are administered efficiently and effectively for the benefit of the licensee and the public.
14. The near-term priorities should include the new regulatory oversight process; license administration, renewal and transfer; risk-informed in-service inspection and in-service testing; risk-informed technical specifications (allowed outage times); the whole-plant study pilots; the 50.54(a) rulemaking activities which related to the graded quality assurance activities; and, the permanent repository for spent fuel and the related Part 63 rulemaking activities.
15. Mid-term priorities (year 2000 to 2002 timeframe) should include transition to more risk-informed regulations related to Part 50 and conformance in use of the design basis of plants that are consistent with the regulatory process; NRC staff size containment - determine what the agency has to do; and, examination of the regulations to protect against terrorists (need to provide a balance ensuring adequate safety of the plants while not impacting safe operations).
16. Longer term priorities should include moving forward with the advanced designs and resolving issues with the combined operating license as these plants are licensed.
17. Metrics used to measure NRC performance should be quantitative, such as meeting deadlines for certain tasks, while others will be qualitative. They should be publicized and widely communicated to stakeholders - external and internal to the NRC. One tool might be a survey of stakeholders.
18. The Commission needs to address policy issues such as defining design and licensing basis and FSAR content. The benefit to safety is questionable of perfecting the Final Safety Analysis Report (e.g., removing unnecessary detail). Resources could best be invested in addressing risk-informed goals.
19. Issues must be considered in an integrated manner.
20. The use of performance indicators for the NRC would be useful to all stakeholders.
21. Suggestions on legislative proposals included removal of the 100 percent fee recovery of the NRC budget; possibly the Sunshine Act, if necessary; and increasing authorization for the Inspector General that would allow the Office of Investigations to be eliminated.
22. The [10 CFR 2.206](#) process needs to be overhauled and the public needs to be educated.
23. The NRC needs to lay out a long-term plan.
24. The scope of future meetings should be narrowed to direct more discussion on focused issues.