



POLICY ISSUE **(Information)**

August 31, 2018

SECY-18-0086

FOR: The Commissioners

FROM: Margaret M. Doane
Executive Director for Operations

SUBJECT: ANNUAL REPORT OF COMMITTEE TO REVIEW GENERIC
REQUIREMENTS REVIEW ACTIVITIES

PURPOSE:

This paper provides the Commission with the annual report of the activities of the Committee to Review Generic Requirements (CRGR, or the Committee). The report covers the period from June 1, 2017, through May 31, 2018. This paper does not contain any new commitments or resource implications. For purposes of this report, backfit or backfitting refers to backfitting and issue finality.

SUMMARY:

For this period, in addition to its routine activity reviewing staff proposals to ensure adherence with agency backfitting requirements and guidance, the CRGR was involved in addressing the various recommendations identified in the June 27, 2017, CRGR assessment of the agency's backfit review process (Agencywide Documents Access and Management System (ADAMS) Accession No.: ML17174B161) and the resulting Executive Director for Operations (EDO) taskings in the July 19, 2017, memorandum entitled, "Tasking in Response to Committee to Review Generic Requirements Report on the U.S. Nuclear Regulatory Commission's Implementation of Backfitting and Issue Finality Requirements" (ADAMS Accession No.: ML17198C141). In accomplishing the various backfitting program training actions listed in the above two documents, the CRGR members were lead presenters in the various training seminars conducted at headquarters and the regions along with support from the Division of

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Rulemaking in the Office of Nuclear Material Safety and Safeguards (NMSS), the Office of the General Counsel (OGC) backfitting experts, the CRGR Working Group, and the Offices of Nuclear Reactor Regulation (NRR), NMSS, Nuclear Security and Incident Response (NSIR), Office of New Reactors (NRO), Research (RES), and regional backfitting contacts. Associated agency guidance documents (MD 8.4, NUREG-1409 and NUREG/BR-0058) are in the process of being updated.

The CRGR conducted 11 reviews during this reporting period (see Enclosure 1). Four of the reviews were referred to as routine, four were complex and three were complex with external involvement. These review categorizations are described in the revised CRGR Charter (Revision 9) dated June 2018 (ADAMS Accession No.: ML17355A532).

In summary, the result of this periodic review has identified that the CRGR continues to provide a benefit to the staff activities with regards to backfitting and has added value in its reviews of the staff documents.

BACKGROUND:

The CRGR is comprised of senior U.S. Nuclear Regulatory Commission (NRC) managers from the RES, NRR, NRO, NMSS, NSIR, OGC, and one of the regional offices selected on a rotating basis (currently Region III). The CRGR reports to the EDO, who appoints the chairperson and members. The Committee currently conducts its activities in accordance with Revision 9 of the CRGR Charter. The RES staff provides technical and administrative support to the Committee.

By charter, the CRGR reviews selected regulatory requirements, generic and facility-specific correspondences, regulatory guidance, and NRC staff guidance related to licensing, inspection, and enforcement that could impose a backfit. The CRGR ensures that any backfits proposed for NRC-licensed power reactors, new reactors, and nuclear materials facilities that fall within the Committee's Charter are appropriately justified on the basis of the backfit provisions of the applicable NRC regulations, the Regulatory Analysis Guidelines (NUREG/BR-0058), and the Commission's backfit policy. The Committee also helps the NRC regulatory offices implement the Commission's backfit policy and recommends to the EDO either approval or disapproval of certain staff proposals.

Since 1997, the Committee has annually evaluated and reported its activities to the Commission. This paper provides the Committee's annual report for the period of June 1, 2017, through May 31, 2018. The report summarizes the backfit reviews performed by the Committee during the assessment period and provides the results of the Committee's annual self-assessment. The report also summarizes the status of key actions in response to the EDO's tasking on agency backfit processes (see the following Discussion section and Enclosure 2 for a list of these items and their status).

DISCUSSION:

Backfit Tasking

As discussed in the 2017 CRGR periodic assessment (ADAMS Accession No.: ML17174B197), the Office of the Executive Director for Operations (OEDO), with the intent of continuous improvement due to both internal deliberations and external stakeholder feedback, tasked the

CRGR to conduct a rigorous review of the NRC's guidance, training, and expertise for assessing issues for backfit implications and for responding to questions and concerns raised by our stakeholders. The June 9, 2016, memorandum entitled, "Tasking Related to Implementation of Agency Backfitting and Issue Finality Guidance" (ADAMS Accession No.: ML16133A575) documents this tasking.

The tasking covered three general topics:

1. Assess backfit requirements, guidance, and criteria (NUREG-1409 and Management Directive (MD) 8.4).
2. Assess backfit training.
3. Assess knowledge management for backfitting.

The EDO further directed the CRGR in a December 15, 2016, memorandum entitled, "Supplemental Tasking Related to Implementation of Agency Backfitting and Issue Finality Guidance," dated December 15, 2016 (ADAMS Accession No.:ML16344A004), to consider additional agency actions and direction issued since the date of the original tasking associated with backfitting and issue finality. In addition, the EDO also directed the CRGR to review its charter against the results of its assessment and to determine if any scope or process changes are warranted.

Subsequently, on July 19, 2017, the EDO issued a response to the CRGR (ADAMS Accession No.: ML17198C141) that supported the CRGR's recommendations in the 2017 CRGR Review Report (ADAMS Accession No.: ML17174B161) and provided subsequent direction to the CRGR as well as affected offices. The EDO direction covered four broad categories: (1) requirements, guidance, and criteria; (2) training; (3) knowledge management; and (4) revisions to the CRGR Charter. The tasking also included direction to conduct an effectiveness review of the actions taken, to report on the availability of key docketed information and the resources needed to make information more readily retrievable, and to report on the resources needed to complete the directed actions. Some of these actions have been accomplished and some are near completion (see Enclosure 2 for a list of these items and their status).

NUREG/BR-0058, NUREG-1409, and MD 8.4 were previously in the process of being revised prior to the backfit tasking. However, they were brought under the CRGR auspices with the recent tasking for tracking purposes. The status of these tasking items will be discussed in the following section.

Status of Tasking Items

In addition to its regular reviews of staff documents to ensure adherence with agency guidance and policy on backfitting, the CRGR members have been actively involved with the staff's efforts to develop and rollout backfit training provided to all the senior managers directly involved in the backfitting process and affected agency staff. Specifically, they were involved in conducting the reset backfit training in December 2017 through January 2018 and the backfit training workshops held during June through July 2018. During these efforts, the CRGR members actively participated in the training and provided key leadership to ensure that the training appropriately emphasized proper implementation of the backfitting regulations. Backfit workshop training has been completed for approximately 95 percent of the applicable NRC staff.

The final June 2018 version of Revision 9 of the CRGR Charter was approved by the OEDO on August 17, 2018 (ADAMS Accession No.: ML18215A381). The Charter and its associated procedure document are located in ADAMS (ADAMS Accession Nos.: ML17355A532 and ML17355A533, respectively). MD 8.4 was sent to the Commission via SECY-18-0049, dated April 18, 2018. NUREG/BR-0058 was sent to the Commission via SECY-18-0042, dated March 28, 2018. NUREG-1409 is in the staff concurrence process and is expected to be issued for public comment in September 2018. Following resolution of the comments, the NUREG will be sent to the Commission for review.

Committee to Review Generic Requirements Charter Revision

A notable accomplishment for this period is the revision of the CRGR Charter. This revision was one of the items identified in the June 2017 CRGR report that required updating. The major changes to the CRGR Charter include (1) review of facility-specific backfitting, (2) CRGR review of rulemakings, and (3) general process improvements. Among other changes, the CRGR provided a revised review process which contains three categories (discussed below).

The above-mentioned changes, along with some minor procedural improvements, necessitated a revision of the existing CRGR Charter to more appropriately reflect the current Committee's process, roles, and responsibilities. These revisions are delineated in the memo forwarding the Charter to the Commission (ADAMS Accession No.: ML18175A001). In addition, a CRGR procedure document was created in parallel with Revision 9 to the CRGR Charter (ADAMS Accession No.: ML17355A533). The purpose of the procedure document is to consolidate procedural and administrative information into one document that can be updated more frequently than the Charter itself to reflect lessons learned from backfitting reviews. Moreover, this document provides a detailed description of the administrative process involved in the CRGR activities. As such, the procedure document will support future CRGR membership, CRGR staff changes, and continuity in CRGR operations.

As mentioned above, the CRGR Charter has been revised to reflect a new approach to the review process that includes the following three categories of CRGR reviews that may be performed:

1. Routine Review.
2. Complex Review.
3. Complex Review with External Involvement.

A Routine Review (Category 1) is one in which the matter does not appear to contain backfitting issues and can be handled via e-mail discussions. A Complex Review (Category 2) is one in which it is evident that the matter has significant technical and process complexity, backfitting, or potential backfitting and is handled in a formal setting in which the sponsoring staff provides a presentation to the CRGR. A Complex Review with External Involvement (Category 3) has all the elements of a Category 2 review in addition to a public meeting as a result of a request from external parties to meet separately with the CRGR to provide context for its deliberation. However, in the Category 3 review, External Stakeholders provide a presentation to the CRGR. The staff may be in attendance to provide clarification on questions that the CRGR may have. The CRGR procedure document provides additional detail on these CRGR review categories.

Committee to Review Generic Requirements Charter Reviews of Rulemakings

The CRGR criteria for review of rulemakings were put in place in May 2016. The criteria include five areas which the staff should evaluate the rulemaking against (see below section, "Results of CRGR Self-Assessment" for a description of the areas evaluated). If the staff's determination is inconclusive regarding the need for a CRGR review of the rulemaking package, the staff could request a consultation briefing with the Committee. The purpose of a consultation briefing serves to aid the staff in determining if they should initiate a request for a CRGR complex review per the CRGR criteria assessment and, to allow the CRGR the opportunity to engage the staff in discussions concerning the rulemaking. In effect, the consultation briefing has been introduced into the CRGR process as an efficient and effective way to bring consensus between CRGR and staff in ensuring the CRGR criteria has been appropriately addressed when questions exist.

During this reporting period, the staff engaged in a consultation briefing with the Committee to determine whether a review of the draft proposed Decommissioning Rule was required. At the conclusion of this briefing, the CRGR members determined that the rule did not contain any backfitting provisions and therefore, a complex review was not initiated. Since this first briefing (there have been two additional consultation briefings outside of this reporting period), the staff has indicated that the consultation briefing has provided useful feedback regarding various aspects of the subject rulemaking. The consultation review of the Decommissioning Rule is discussed further below in the "Result of Assessment of the CRGR Criteria and Guidance" section of this report.

Reviews Conducted by the Committee to Review Generic Requirements Charter

The reviews conducted by the CRGR for this period are listed in Enclosure 1. The following provides highlights of the reviews per the categorization described above:

Routine Reviews

As listed in Enclosure 1, the CRGR performed four routine reviews during this period. One notable item was the following:

- Review of proposed Region I response to Public Service Electric and Gas, "Response to Contested Non-cited Violation Documented in the NRC Inspection Report 05000272/2017003 and Associated Backfit Claims" (ADAMS Accession No.: ML18134A337).

This activity is highlighted as an increased scope for the CRGR because it will now review items that are facility-specific in nature. The review of a facility-specific item is due in part to the new direction and increased scope of the CRGR as a result of the June 27, 2017, CRGR report and OEDO taskings. This increased scope to review facility-specific items is captured in Revision 9 of the CRGR Charter.

Complex Reviews

For this period, the CRGR performed seven complex reviews of staff-proposed documents. A notable complex CRGR review for this period was conducted on June 27, 2017, (continued on July 12, 2017), in which the CRGR reviewed a proposed Draft Rule and Draft Regulatory Guide for Cyber Security at Fuel-Cycle Facilities.

- Draft Rule and Draft Regulatory Guide for “Cyber Security at Fuel-Cycle Facilities”. The staff indicated that there was backfitting involved in this rulemaking. The CRGR found that the backfit analysis was developed consistent with the Commission direction on backfit in SRM-COMSECY-16-0020 (ADAMS Accession Nos.: ML16334A462 and ML16355A258). The adequate protection exception to backfitting protection applies to portions of the rule while cost justifications, based upon a substantial increase in overall protection of public health and safety, are provided for the remaining portions. After its review, the CRGR endorsed the package and recommended that the staff (1) maintain focus on ensuring and communicating that the cost justifications are based on the quantitative assessments that were performed as opposed to qualitative factors and (2) provide appropriate clarification of the regulatory bases for fuel-cycle-facilities licensed under Part 40 since they are not subject to backfitting protections.

The above review marked the first CRGR complex review using the new criteria and guidance for rulemakings. In addition, this was the first time the CRGR engaged in the review of a rulemaking since October 2007 when the Commission approved changing the compulsory CRGR review to an option based on staff consideration. Currently, CRGR reviews of rulemaking are accomplished when the new criteria are met as described in Appendix D of the procedure document for revision 9 of the CRGR Charter. Three of the seven complex reviews had an associated external participation and are therefore discussed in the next section.

Complex Reviews with External Involvement

In Revision 8 of the CRGR Charter (2011), provisions were established to allow public engagement with the CRGR. This provision is now formalized in Revision 9 of the CRGR Charter, with more detailed instructions in the CRGR procedure document on how these reviews are to be handled. The three complex reviews with significant external involvement, highlighted below, were conducted to provide external stakeholders an opportunity to discuss backfitting concerns and for the CRGR to ask questions for clarification purposes regarding those related concerns.

- Draft Regulatory Issue Summary, “Disposition of Information Related to the Time Period that Safety-Related SSCs (Structures, Systems, and Components) are installed.” Following meetings with both the NRC staff and external stakeholders, the CRGR found that ambiguities contained in the Regulatory Issue Summary (RIS) could create the potential for unintended backfits. The Committee recommended suspending efforts to further develop and issue the RIS (ADAMS Accession No.: ML17276B156).
- Draft Task Interface Agreement (TIA) entitled, “Oconee Nuclear Station, Units 1, 2, and 3 – Final Response to Task Interface Agreement 2014-05, Design Analysis for Single Failure and the Integration of Class 1E Direct Current Control Cabling in Raceways with High Energy Cabling.” The Director of NRR specifically requested CRGR to perform a review of this facility-specific matter (ADAMS Accession No.: ML17237C031). The CRGR conducted two separate meetings with the staff and one with Duke Energy. The Committee found that language in the TIA response could be enhanced to avoid misapplication of the staff’s conclusions to other parts of the Oconee Station design or licensing basis or to the other Duke nuclear facilities. The Committee subsequently endorsed the TIA response, following staff changes to the language, and found that the revised TIA response did not contain backfitting or new staff positions.

- Draft Regulatory Guidance 5.69, "Guidance for the Application of the Radiological Sabotage Design-Basis Threat in the Design, Development, and Implementation of a Physical Security Program that meets Title 10 of the *Code of Federal Regulations* Section 73.55 Requirements" (Official Use Only-Security Related Information). As part of its review, the CRGR met with the staff on two separate occasions and once with external stakeholders, including the industry and the Union of Concerned Scientists (UCS) on another occasion. The CRGR identified 3 concerns of potential backfitting in the draft Regulatory Guide 5.69. The staff later revised the regulatory guide and removed the backfitting concerns with a plan to address them through other agency processes.

These meetings were beneficial for the staff and the external stakeholders. As briefly mentioned above, the meetings provided an opportunity for the external stakeholders to bring their backfitting concerns before the CRGR for further clarification and consideration. It also provided the CRGR with a better understanding in considering both staff and external stakeholder views. However, these additional interactions resulted in an increase in the number of meetings due to additional engagement of the CRGR in the early phase of the rulemaking process, an increased rigor in the backfitting review process, and external participation in the rulemaking process.

The staff is aware of the potential increase in CRGR interactions and considers this in their scheduling. Moreover, to ensure that the agency continues to efficiently and effectively carry out its mission in a timely fashion, the CRGR has retained text in the revised CRGR Charter that encourages the staff and external stakeholders to address any backfitting issues before engaging with the CRGR.

Barring specific EDO direction, it is at the discretion of the CRGR to decide which type of review will be the most efficient and effective means to discharge its mission. In addition, in the event that a meeting to support a Category 3 review cannot be accommodated due to circumstances beyond the staff's control (e.g., time constraints), external stakeholders continue to have the public comment phase as an avenue to raise relevant issues to the staff, including any backfitting concerns.

Results of Committee to Review Generic Requirements Charter Self-Assessment

The Committee solicited feedback from the regulatory offices (ADAMS Accession No.: ML18143B677) and used its own insights to assess its effectiveness in fulfilling the primary areas of responsibility specified in the CRGR Charter and its impact on staff activities. The results of the self-assessment are provided below.

1. Documents Reviewed

For each of the 11 reviews listed in Enclosure 1, the Committee verified that the staff proposal was consistent with the backfit provisions of the applicable regulations. The Committee also confirmed that the staff had followed the requirements specified in the CRGR Charter and had supplied all documentation needed to support each CRGR review. Based on staff feedback and its assessment of these CRGR reviews, the Committee concluded that it had effectively fulfilled this key charter responsibility.

The CRGR also concluded that the concurrence process ensured that all pertinent offices are appropriately engaged; the appropriate technical staff, branch chiefs, and senior executive service-level managers are involved in the reviews; and OGC is involved both in the reviews of

legal issues and backfit considerations. OGC performs a legal review of each generic and facility-specific agency communication and ensures that the appropriate backfitting language is included in each document.

The June 27, 2017, CRGR report in response to the EDO tasking provided insights regarding how effectively the Committee is adhering to its guidance and executing backfit reviews. Consequently, the areas that were identified as those needing improvement are either being addressed or have been completed (e.g., the CRGR Charter revision, MD 8.4 revision, etc.). Moreover, the various corrective actions underway and those recommended in the CRGR report will enhance engagement and oversight by CRGR with regard to its activities and review of proposed generic and selected facility-specific agency communications that could impose a backfit.

2. The U.S. Nuclear Regulatory Commission Processes

The CRGR Charter specifies that the regulatory offices incorporate the CRGR process into their administrative procedures for developing new or revised generic actions. Implementing documents include:

- MD 8.4, "Management of Facility-Specific Backfitting and Information Collection," dated October 9, 2013 (ADAMS Accession No.: ML050110156).
- MD 8.18, "NRC Generic Communications Program," dated December 9, 2015 (ADAMS Accession No.: ML18073A213).
- NRR Office Instruction LIC-202, "Procedures for Managing Plant-Specific Backfits and [10 CFR] 50.54(f) Information Requests," Revision 2, dated May 17, 2010.
- NRR Office Instruction LIC-300, "Rulemaking Procedures," Revision 4, dated September 24, 2012.
- NRR Office Instruction LIC-400, "Procedures for Controlling the Development of New and Revised Generic Requirements for Power Reactor Licensees," Revision 1, dated December 20, 2006.

As previously noted, the CRGR performed 11 reviews during the assessment period. For each CRGR review, the Committee interacted with the staff as needed to understand the intent of the proposed documents as well as any potential or actual backfitting implications. On the bases of the quality of the documents submitted for its review and the quality of its interactions with the responsible regulatory office staff and managers, the CRGR concluded that the established CRGR review process, in concert with the associated agency and regulatory office implementing procedures, resulted in the proper treatment of any backfit considerations. For these reasons, the Committee concluded that it and the staff had effectively fulfilled this Charter responsibility. Notwithstanding, the CRGR and staff continue to make progress toward addressing the remaining opportunities for improvement in the process documents identified in the EDO tasking, such as the need for finalizing the ongoing update to NUREG-1409, and updates to other relevant staff guidance with respect to backfitting and the CRGR engagement. With regard to process, in response to Commission direction in SRM-SECY-15-0129, "Commission Involvement in Early Stages of Rulemaking" (ADAMS Accession No.: ML16034A441), the CRGR developed the criteria and guidance to identify when a CRGR

review is required for a rulemaking, and the staff provided it to the Commission for information. This was provided in SECY-16-0064, "CRGR Response to Staff Requirements-SECY-15-0129 Commission Involvement in Early Stages of Rulemaking" (ADAMS Accession No.: ML16075A365). The criteria require the staff to engage the CRGR when one or more of the following are met:

1. The staff indicated, in the rulemaking plan, that the rulemaking would not constitute backfitting. However, in developing the proposed rule, the staff identifies that a backfit is possible.
2. The regulatory analysis identifies significant costs incurred as a result of the proposed rulemaking, and qualitative factors were used to justify the rulemaking.
3. There is substantial uncertainty (in the statistical sense) in the quantitative benefit determinations in the backfit analysis.
4. The staff relied upon the compliance exception or the adequate protection exceptions to justify backfitting and avoid issue finality in Part 52, where the Commission has not previously been advised of the use of these exceptions in the rulemaking plan.
5. As directed by the EDO or when substantive concerns have been raised by stakeholders or NRC staff regarding the backfit or regulatory analysis.

In addition, as indicated in SECY-16-0064 and the 2017 CRGR annual report (ADAMS Accession No.: ML17174B197), the CRGR stated that it would assess the lessons learned and feedback from the staff on its use of the new criteria and guidance and inform the Commission in this CRGR annual assessment whether further process enhancements would be beneficial. The following discussion highlights the assessments of the trial period of the CRGR-developed criteria and guidance and whether further process enhancements would be beneficial.

Results of Assessment of the Committee to Review Generic Requirements Charter Criteria and Guidance

The criteria and guidance to decide when to request a CRGR review of a rule have now been in place for over 24 months. During this period, there have been two rulemaking-related documents on which the criteria were applied. In the first example, after applying the criteria the staff further consulted with the CRGR to obtain clarity on the need for a complex CRGR review of the draft Regulatory Analysis for the Enhanced Weapons, Firearms Background Checks, and Security Event Notifications Final Rule. The CRGR recommended a complex review that was performed on October 25, 2017 (CRGR #450, ADAMS Accession No.: ML17313A041). The CRGR endorsed this item at the end of its review. In the second example, the application of the CRGR criteria on the proposed rule for the Draft Rule and Draft Regulatory Guide for Cyber Security at Fuel-Cycle Facilities resulted in the staff requesting a CRGR complex review of the rulemaking. The CRGR engaged in review of this draft proposed rule on June 27, 2017 (CRGR #442), and July 12, 2017 (CRGR #444). The CRGR supported the staff evaluation for backfitting in this rulemaking (ADAMS Accession No.: ML17200A101).

With respect to the criteria and guidance, the staff indicated that it would continue to interact with the CRGR regarding any required revision to the process for Committee and staff interactions as needed. The staff found that, in some cases, the review criteria have been

simple to apply (e.g., Cyber Security at Fuel-Cycle Facilities). When circumstances are unclear (e.g., the Enhanced Weapons rulemaking), the staff used consultation briefings early in the rulemaking process to clarify whether any CRGR review is required (a routine or a complex type review). The staff indicates that this approach has been very productive (e.g., the proposed Decommissioning Rule), and they plan to continue with this approach.

During this period, only minor editorial changes were performed on the criteria and guidance since its initial issuance in SECY-16-0064. The revision in the criteria was an expansion of the above criterion no. 4 for clarification purposes. The revised version of the criteria and guidance is currently included as Appendix D of the procedure document for Revision 9 of the CRGR Charter.

Consequently, the CRGR believes that, in general, the CRGR criteria and guidance for staff engagement with the CRGR in the early development stage of rulemaking is adequate. Moreover, the CRGR rulemaking review process provides the staff with assurance of appropriately addressing agency backfitting policies before allocating greater resources on a specific rulemaking. The process also allows the CRGR an opportunity to engage the staff when it requires clarification on certain key points related to backfitting in the early development stage of rulemaking. The CRGR will continue to evaluate the need for any improvements from further staff interactions and lessons learned in future rulemaking package submissions to the CRGR.

3. Impact and Value of the Committee to Review Generic Requirements Charter Process

Throughout the assessment period, the CRGR provided guidance to the staff regarding backfitting considerations as the staff drafted proposed generic and facility-specific agency communications. The Committee's objective was to address any implications of potential backfits in proposed documents before the staff issued them as final communications. To the extent practicable, the CRGR scheduled its meetings expeditiously to minimize delays and to meet the NRC staff's requests for special meetings. In addition, the CRGR provided timely assistance to the staff before and during its reviews. To expedite the endorsement process, the CRGR members also helped the sponsoring office staff resolve Committee comments as appropriate.

For this assessment period, the Committee concluded that based on the value added memoranda (ADAMS Accession No.: ML18143B677) responses from the staff, its reviews were timely, focused on high-priority issues, and beneficial to the NRC staff. Interactions with the NRC staff were positive and professional, resulting in constructive feedback and useful insights to ensure product compliance with the applicable backfit provisions. Furthermore, the staff feedback indicates that the Committee typically completed its reviews within the timeframes requested by the staff. Consequently, because of the additional time needed for the new Category 3 reviews, and to assure it meets its deadlines, the staff has taken into consideration the possibility of a Category 3 review in its scheduling when the topic is controversial or has preliminary indications during the early phase of rule development for a potential backfitting claim.

In general, feedback from the staff indicate that the costs and impacts associated with CRGR review activities did not significantly affect the overall schedules and staff resources beyond those associated with preparing the packages for CRGR review.

For this assessment period, feedback from the regulatory offices confirmed that the CRGR reviews added value by ensuring that proposed generic or facility-specific documents were consistent with the applicable Commission backfitting policies, rules, and regulations and did not inadvertently backfit new requirements on licensees. In addition, the offices stated that the staff generally expended reasonable efforts addressing CRGR comments and recommendations.

With regards to interactions with external stakeholders, the discussions with The Nuclear Energy Institute (NEI) during the public meetings and input from the Category 3 review feedback forms indicate that there is an appreciation for the changes (the formal addition of Category 3 reviews) and effort on the part of the CRGR to address industry backfitting concerns. Based on the positive feedback from NEI and various licensees, the CRGR concludes that it is fulfilling the NRC goals of openness and transparency.

Other Committee to Review Generic Requirements Charter Activities

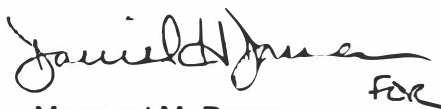
During this assessment period, the CRGR continued to provide input to the NRC's responses to Congressional questions. This input includes the monthly report to Congress with regard to the CRGR review of specific documents and identification of documents containing backfitting and the CRGR actions on those documents, and current and planned CRGR reviews.

CONCLUSION:

The CRGR continues to contribute to staff and industry awareness of the applicable NRC regulations and Commission policy on backfitting. The self-assessment and program office feedback indicate that the Committee has performed its reviews and evaluations in an efficient and effective manner, added value to the regulatory process, and contributed to the accomplishment of the NRC's mission. The CRGR continues to work with the program offices and the various supporting offices to implement all of the CRGR report recommendations and subsequent EDO direction for enhancing agency rigor in future backfit evaluations.

COORDINATION:

The Office of the General Counsel has reviewed this package and has no legal objection.

A handwritten signature in black ink, appearing to read "Margaret M. Doane", with the word "for" written in smaller letters below the signature.

Margaret M. Doane
Executive Director
for Operations

Enclosures:
As stated

SUBJECT: ANNUAL REPORT OF COMMITTEE TO REVIEW GENERIC REQUIREMENTS
REVIEW ACTIVITIES DATED: August 31, 2018

ADAMS Accession No.: Pkg. ML18121A345

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