



[7590-01-P]

NUCLEAR REGULATORY COMMISSION

[NRC-2017-0091]

Regulatory Analysis Guidelines

AGENCY: Nuclear Regulatory Commission.

ACTION: Draft NUREG; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing for public comment a draft NUREG, NUREG/BR-0058, Revision 5, “Regulatory Analysis Guidelines of the U.S. NRC.” This proposed revision to NUREG/BR-0058 would update and restructure the NRC’s cost-benefit guidance documents by incorporating information contained in NUREG/BR-0184, “Regulatory Analysis Technical Handbook,” into this document and would expand the discussion of cost-benefit analyses in NRC’s regulatory analyses, backfitting analyses, and National Environmental Policy Act (NEPA) analyses. Additionally, the update incorporates improvements in methods for assessing factors that are difficult to quantify, incorporates relevant cost estimating best practices, and includes improvements in uncertainty analyses for use in cost-benefit analyses.

DATES: Submit comments by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

ADDRESSES: You may submit comments by any of the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID NRC-2017-0091. Address questions about NRC dockets to Carol Gallagher; telephone: 301-415-3463; e-mail: Carol.Gallagher@nrc.gov. For technical questions, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this document.

- **Mail comments to:** Cindy Bladey, Office of Administration, Mail Stop: OWFN-12-H08, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

For additional direction on obtaining information and submitting comments, see “Obtaining Information and Submitting Comments” in the SUPPLEMENTARY INFORMATION section of this document.

FOR FURTHER INFORMATION CONTACT: Pamela Noto, Office of Nuclear Reactor Regulation, telephone: 301-415-6795, e-mail: Pamela.Noto@nrc.gov, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC-2017-0091 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- **Federal rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID NRC-2017-0091.

- **NRC’s Agencywide Documents Access and Management System**

(ADAMS): You may obtain publicly available documents online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select “[ADAMS Public Documents](#)” and then select “[Begin Web-based ADAMS](#)”

[Search.](#)” For problems with ADAMS, please contact the NRC’s Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the “Availability of Documents” section.

- **NRC’s PDR:** You may examine and purchase copies of public documents at the NRC’s PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

B. Submitting Comments

Please include Docket ID NRC-2017-0091 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at <http://www.regulations.gov> as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Discussion

The proposed revision to NUREG/BR-0058 is the first of two phases to update the NRC's cost-benefit guidance documents, primarily NUREG/BR-0058, Revision 4, "Regulatory Analysis Guidelines of the U.S. NRC," and NUREG/BR-0184, "Regulatory Analysis Technical Handbook." This update identifies potential changes to current methods and tools related to performing cost-benefit analyses in support of regulatory analyses, backfitting analyses, and environmental analyses.

In response to questions posed after the accident at the Fukushima Dai-ichi plant in Japan, the NRC staff recommended enhancing the currency and consistency of the existing regulatory framework through updates to cost-benefit analysis guidance documents, including aligning cost-benefit guidance across the agency in both reactor and materials program areas in SECY-12-0110, "Consideration of Economic Consequences in the NRC's Regulatory Framework." In the staff requirements memorandum (SRM) for SECY-12-0110, the Commission approved this recommendation and directed the NRC staff to identify potential changes to current methodologies and tools to perform cost-benefit analyses in support of regulatory, backfit, and environmental analyses. Further, the Commission directed the NRC staff to provide a regulatory gap analysis prior to developing new cost-benefit guidance.

In response to Commission direction, the NRC staff prepared SECY-14-0002, "Plan for Updating NRC's Cost-Benefit Guidance;" SECY-14-0087, "Qualitative Consideration of Factors in the Development of Regulatory Analyses and Backfit Analyses;" and SECY-14-0143, "Regulatory Gap Analysis of the NRC's Cost-Benefit Guidance and Practices." Further details regarding these documents are provided below.

In response to the SRM for SECY-12-0110, the NRC staff wrote SECY-14-0002. The NRC staff identified potential changes to current methodologies and tools related to

performing cost-benefit analyses in support of regulatory, backfit, and environmental analyses. In this SECY paper, the NRC staff recommended a two-phased approach to revise the content and structure of the cost-benefit guidance documents. Phase 1 begins to align regulatory guidance across the agency in both reactor and materials program areas by restructuring and pursuing some policy revisions. This SECY paper describes Phase 1 as a restructuring of the three main NRC cost-benefit guidance documents, where NUREG/BR-0184 and NUREG-1409, "Backfitting Guidelines," are incorporated into NUREG/BR-0058. Because of the June 9, 2016, "Tasking Related to Implementation of Agency Backfitting and Issue Finality Guidance," NUREG-1409 will be kept as a stand-alone document. Cost-benefit information related to backfitting will be incorporated into the proposed revision to NUREG/BR-0058. Phase 1 will now consist of revising and consolidating two NUREG documents into a single NUREG; updating data, methods, and references; and addressing audit findings and case-study recommendations. Subsequently, Phase 2 will identify and discuss potential policy issues for Commission consideration that could affect the NRC's cost-benefit guidance and incorporate updates to guidance on backfitting. Phase 1 of the proposed revision to NUREG/BR-0058 includes outlines for future appendices.

The NRC staff wrote SECY-14-0087 in response to the SRM-SECY-12-0157, "Consideration of Additional Requirements for Containment Venting Systems for Boiling Water Reactors with Mark I and Mark II Containments," which directed the NRC staff to seek guidance regarding the use of qualitative factors. The SECY-14-0087 proposed updating the cost-benefit guidance to include a set of methods that could be used for qualitative consideration of factors within a cost-benefit analysis for regulatory and backfit analyses. In the SRM for SECY-14-0087, the Commission approved the plans for updating guidance regarding qualitative factors, including the treatment of uncertainties, and directed the update to focus on capturing best practices for the

consideration of qualitative factors. The Commission also directed the NRC staff to develop a toolkit for the analyst to clarify how to consider and document the use of qualitative factors. Appendix A, "Qualitative Factors Assessment Tools," of the proposed revision to NUREG/BR-0058 provides this toolkit for considering qualitative factors.

In 2014, the U.S. Government Accountability Office (GAO) conducted a performance audit in which the NRC's cost-estimating procedures were reviewed. The GAO audit report, GAO-15-98, "NRC Needs to Improve its Cost Estimates by Incorporating More Best Practices," recommended that the NRC align its cost estimating procedures with relevant cost estimating best practices identified in the "GAO Cost Estimating and Assessment Guide" (GAO-09-3SP). The NRC staff has addressed the GAO recommendations in Appendix B, "Cost Estimating and Best Practices," of the proposed revision to NUREG/BR-0058.

This proposed revision to NUREG/BR-0058 would make three main changes. First, the revision to NUREG/BR-0058 consolidates cost-benefit guidance that is used across the agency. The NRC staff has expanded the draft document to provide additional guidance for performing the NRC's materials licensee regulatory analyses, backfit analyses, and NEPA analyses.

Second, this revision provides methods for assessing factors that are difficult to quantify, incorporates cost-estimating best practices, and expands on methods to quantify uncertainties. This revision provides guidance intended to enhance clarity, transparency, and consistency of analyses for the decisionmaker.

Finally, this revision uses appendices to provide detailed technical material that is subject to change. These appendices will be issued and controlled separately to facilitate the maintenance of this information. Appendices that will be issued initially include Appendix A, "Qualitative Factors Assessment Tools"; Appendix B, "Cost Estimating and Best Practices"; Appendix C, "The Treatment of Uncertainty"; Appendix

D, “Guidance on Regulatory Analyses Related to American Society of Mechanical Engineers (ASME) Code Changes”; and Appendix E, “Special Circumstances.”

The NRC staff held a Category 3 public meeting on July 16, 2015, to discuss the proposed structure and changes to the NRC cost-benefit guidance in Phase 1. The NRC presentation can be found in ADAMS under Accession No. ML15189A463, and the meeting summary can be found in ADAMS under Accession No. ML15217A420. The NRC staff also held a Category 3 public workshop on March 3, 2016, to discuss NRC activities to improve its cost-benefit guidance including the newly developed qualitative factors assessment tools, cost estimating and best practices, and the treatment of uncertainty. The NRC presentation can be found in ADAMS under Accession No. ML16061A139, and the meeting summary can be found in ADAMS under Accession No. ML16084A167. Additionally, the NRC staff held an Advisory Committee on Reactor Safeguards (ACRS) Regulatory Policies and Practices Subcommittee meeting on February 7, 2017, and an ACRS Full Committee meeting on March 9, 2017.

III. Availability of Documents

The NRC may post additional materials related to this activity to the Federal rulemaking website at www.regulations.gov under Docket ID NRC-2017-0091. These documents will inform the public of the current status of this activity and/or provide additional material for use at future public meetings.

The Federal rulemaking website allows you to receive alerts when changes or additions occur in a docket folder. To subscribe: 1) navigate to the docket folder (NRC-2017-0091); 2) click the “Sign up for E-mail Alerts” link; and 3) enter your e-mail address and select how frequently you would like to receive e-mails (daily, weekly, or monthly).

The documents identified in the following table are available to interested persons as indicated.

DOCUMENT	ADAMS ACCESSION NO. / WEB LINK
NUREG/BR-0058, Revision 5, "Regulatory Analysis Guidelines of the U.S. NRC"	ML17101A355
NUREG/BR-0058, Revision 4, "Regulatory Analysis Guidelines of the U.S. NRC"	ML042820192
NUREG/BR-0184, "Regulatory Analysis Technical Evaluation Handbook"	ML050190193
SECY-14-0002, "Plan for Updating NRC's Cost-Benefit Guidance," January 2, 2014	ML13274A519
SECY-14-0087, "Qualitative Consideration of Factors in the Development of Regulatory Analyses and Backfit Analyses," September 11, 2014	ML14127A458 (Package)
SECY-14-0143, "Regulatory Gap Analysis of the NRC's Cost-Benefit Guidance and Practices," December 16, 2014	ML14280A426 (Package)
SECY-12-0110, "Consideration of Economic Consequences within the U.S. NRC's Regulatory Framework," August 14, 2012	ML12173A478 (Package)
SRM for SECY-12-0110, "Consideration of Economic Consequences within the U.S. NRC's Regulatory Framework," March 20, 2013	ML13079A055
SRM for SECY-14-0087, "Qualitative Consideration of Factors in the Development of Regulatory Analyses and Backfit Analyses," March 4, 2015	ML15063A568
NUREG-1409, "Backfitting Guidelines"	ML032230247
"Tasking Related to Implementation of Agency Backfitting and Issue Finality Guidance," June 9, 2016	ML16133A575

AO-15-98, "NRC NEEDS TO IMPROVE ITS COST ESTIMATES BY INCORPORATING MORE BEST PRACTICES"	HTTP://WWW.GAO.GOV/ASSETS/670/667501.PDF
GAO-09-3SP, "GAO Cost Estimating and Assessment Guide"	http://www.gao.gov/new.items/d093sp.pdf
SRM for SECY-12-0157, "Consideration of Additional Requirements for Containment Venting Systems for Boiling Water Reactors with Mark I and Mark II Containments," March 12, 2013	ML13078A017

Dated at Rockville, Maryland, this 11th day of April 2017.

For the Nuclear Regulatory Commission.

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[FR Doc. 2017-07623 Filed: 4/14/2017 8:45 am; Publication Date: 4/17/2017]