



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555

OFFICE OF THE  
CHAIRMAN

June 21, 1985

The Honorable David A. Stockman  
Director  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Stockman:

In accordance with the statutory obligation to respond to recommendations by the General Accounting Office (GAO) within 60 days of publication, we hereby submit our responses to the recommendations made by the GAO in their report, "Better Inspection Management Would Improve Oversight of Operating Nuclear Plants."

The recommendations contained in the GAO report are largely based upon a 1983 confidential survey questionnaire which was responded to by nearly 400 regional inspection personnel and utility representatives. The Commission is pleased to note that, on the basis of the questionnaire response, GAO found that the inspection program has improved since the Three Mile Island accident. The report further indicates that 80% of NRC respondents and 60% of the utility representatives believe that the NRC inspection program has been effective in ensuring that nuclear power plants are safely operated. (Utilities that rated the inspection program as ineffective in ensuring safe operation took the position that plant safety is a utility's responsibility.) Nevertheless, the GAO report does contain useful recommendations for further improvements in the effective utilization of the limited agency resources which are available for inspection activities.

In responding to the GAO recommendations, the Commission notes that many improvements in the inspection program which address GAO findings have already begun. A description of many of these initiatives was provided to GAO in staff comments on the draft report. In the final report GAO has recognized NRC's improvement initiatives and indicated that these initiatives "will satisfy the intent of GAO's related recommendations if completed." Completion of these inspection program improvements will be given a high priority by NRC. These initiatives should result in more effective and efficient management of NRC inspection activities.

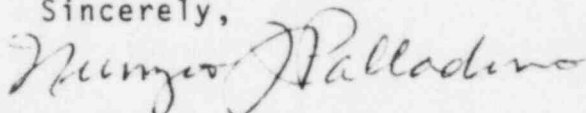
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The Honorable David A. Stockman

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Of the eleven specific recommendations made by GAO, the staff agrees with the substance of nine of the recommendations. As described in the enclosed Responses to GAO Recommendations, the staff does not completely accept the GAO recommendations that the NRC compile a list of all INPO reports and that the Performance Appraisal Team (PAT) inspection frequency be keyed to whether or not NRC receives INPO evaluation reports.

Sincerely,

A handwritten signature in cursive script, reading "Nunzio J. Palladino".

Nunzio J. Palladino

Enclosure:  
Responses to GAO Recommendations