



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

MAR 12 1985

MEMORANDUM FOR: Patricia G. Norry, Director
Office of Administration

FROM: Paul E. Bird, Director
Division of Organization and Personnel

SUBJECT: STUDY OF THE NEED FOR AN INDEPENDENT AGENCY TO
INVESTIGATE INCIDENTS AT NUCLEAR POWER PLANTS

This responds to your February 19, 1985 note which forwarded the subject BNL study for review and comment.

Assuming the desirability of investigating significant safety events differently from the way they are now handled, and assuming that the three alternatives advanced are the most appropriate ones, it appears that BNL made the correct recommendation among them, as presented. However, the study report may be deficient in several respects.

First, the recommendation that the new NRC Office be established by statute may be unnecessary. IE, ASLBP, or ASLAP, for example, do not lack authority or effectiveness as a result of having been established by the Commission instead of by statute. In our view, statutory establishment of a new Office would serve only to limit future organizational flexibility.

Second, there is no substantive information in the report with regard to what specific authorities, functions, and activities of other Agency Offices (IE, NRR, NMSS, and the Regions, particularly) would be diminished by implementation of the recommendation, and the extent and effects of such impacts. If establishment of a new Office only increases the number of investigations after a significant safety event rather than eliminating overlap and duplication, the whole effect could be negative on all concerned. A careful identification and study of the Agency impacts of implementing the recommendation, including the functional, staffing, and cost implications, should be carried out before any staff endorsement of it is made to the Commission.

Third, the structure of an independent safety organization as described in BNL's figure 5.3 reflects the same type of organizational inconsistency that has long troubled NRC and its AEC regulatory predecessor. In 1972, an A. D. Little, Inc., study pointed out for AEC the three dimensions of the nuclear regulatory program; namely:

1. functional (standards setting, licensing, rule-making, inspection, enforcement, etc.),

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2. facilities (power reactors, research reactors, fuel fabrication plants, waste management facilities, etc.),
3. goals or policy objectives (nuclear safety, environmental protection, safeguards of materials and facilities, etc.),

and pointed out that parts of the regulatory structure variously attempted to relate to each of these dimensions simultaneously. Sound organizational practice would call for an organization to concentrate on one dimension at a time; to focus its paramount organizational emphasis on one of them and subordinate the others, consistently over the entire organization. To ignore this practice contributes to operational inefficiencies, overstaffing, overgrading, and diminished flexibility in position management. Unfortunately, the structure proposed by BNL shows the same kinds of inconsistencies in its major components as those A. D. Little, Inc., attempted to get AEC to deal with in 1972. We suggest that if a new Office is established, organizational consistency be given strong management attention and support.

Last, it appears that the costs of establishing an independent safety organization may have been underestimated by BNL's study report. If such an organization were to absorb AEOD, the average grade for that Office is 12.8, well above the 11.9 Agency average, and its average salary is \$47.9 thousand, considerably over the Agency average of \$42.3 thousand, both correctly reported in the study report. The administrative staffing and costs for such an organization may have been underestimated, at least in part because the organization suggested would be a competitive service one, largely unsupportable in personnel administration (recruiting, processing, classification, wage administration) by NRC's excepted service operations. On the other hand, we question why BNL did not offset its estimated cost estimates with an estimated NRC savings resulting from AEOD being absorbed by the new, independent organization.

I appreciate the opportunity to review the study report. I suggest that further study be given to the impacts of implementing BNL's recommendation. Such a study should be undertaken by individuals or firms qualified to consider organizational concepts. Agency representatives qualified to judge the adequacy of the study should oversee the effort. I will follow the progress of this matter with considerable interest, since it has so much potential for impact on my Division.



Paul E. Bird, Director
Division of Organization and Personnel

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REMARKS

The attached memo from Paul Bird dated March 12, 1985 is forwarded to provide the Office of Administration's comments regarding the study of the need for an independent agency to investigate incidents at nuclear power plants.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

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