



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

June 28, 1984

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copy to
Area file

MEMORANDUM FOR: Chairman Palladino
Commissioner Gilinsky
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal

FROM: Carlton Kammerer, Director *JK*
Office of Congressional Affairs

SUBJECT: *JK* FY85 APPROPRIATIONS

Both the Senate and the House completed final floor action on appropriation legislation (H.R. 5653) affecting the NRC's FY85 Budget request for \$468.2 million dollars. The Committee of Conference met on June 26th to resolve differences, and reported out the attached Conference Report. The Conference allowance provides \$448.2 million, a general \$20 million reduction to the NRC budget. It is to be "equitably distributed among all programs." The Report also contains a number of additional provisions.

It should also be noted that report language included by the House (House Report 98-755) which is not changed by the report of the Senate, and Senate report language (Senate Report 98-502) which is not changed by the Conference is approved by the Committee of Conference. The statement of the Conferees, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided.

Attachment:
Conference Report

cc: EDO	ELD	RES
OGC	IP	SDBU/CR
OPE	NMSS	SEC
SECY	NRR	SP
ACRS	OI	WM
ADM	OIA	REGION I
AEOD	OIE	REGION II
ASLAP	EPLB/OIE	REGION III
ASLBP	OPA	REGION IV
	ORM	REGION V

	Budget estimate	Conference allowance
IV. Electric power regulation.....	20,096,000	20,096,000
General Reduction.....	---	-5,000,000
SUBTOTAL, FEDERAL ENERGY REGULATORY COMMISSION.....	100,677,000	95,677,000
Adjustments:		
Less offsetting revenues.....	-40,000,000	-40,000,000
TOTAL, FERC AFTER REVENUES.....	40,677,000	35,677,000
NUCLEAR WASTE DISPOSAL FUND		
1. Nuclear waste disposal fund.....	327,669,000	327,669,000
TOTAL NUCLEAR WASTE DISPOSAL FUND.....	327,669,000	327,669,000
GEOHERMAL RESOURCES DEVELOPMENT FUND		
II. Program direction.....	121,000	121,000
TOTAL GEOHERMAL RESOURCES DEVELOPMENT FUND.....	121,000	121,000

TITLE IV—INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

SALARIES AND EXPENSES

Amendment No. 58: Appropriates \$2,300,000 for salaries and expenses of the Appalachian Regional Commission instead of \$2,700,000 as proposed by the House and \$1,700,000 as proposed by the Senate.

FUNDS APPROPRIATED TO THE PRESIDENT

Appalachian regional development programs

Amendment No. 59: Appropriates \$149,000,000 for Appalachian Regional Development Programs instead of \$157,300,000 as proposed by the House and \$118,000,000 as proposed by the Senate.

Amendment No. 60: Earmarks \$100,000,000 for the Appalachian Development Highway System as proposed by the House instead of \$80,000,000 as proposed by the Senate.

The conferees agree with the Senate report language designating \$15,000,000 of area development funds to be spent on projects in distressed counties as previously proposed by the region's Governors. The conferees also concur in the State report language cautioning the States that prefunding of highway projects is undertaken with no formal commitment of future reimbursement.

The conferees also agree to provide an additional \$4,500,000 for highway projects specified in the House report. \$500,000 is provided for projects and activities which can be reviewed and accelerated to achieve early delivery of benefits. The conferees agree that \$1,000,000 is available for construction of a nurses/medical technician training facility in the Appalachian region where a need exists and shortages of trained medical personnel are prevalent. Up to \$300,000 is to be available for the Berry Dam and \$1,000,000 is provided for the

Hamilton County Riverport in Chattanooga, Tennessee. Funds previously appropriated for the Goodman Road project shall remain available only for that project.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

Amendment No. 61: Appropriates \$448,200,000 instead of \$438,200,000 as proposed by the House and \$458,200,000 as proposed by the Senate.

The conference allowance provides for a \$20,000,000, general reduction to the NRC budget to be equitably distributed among all programs. From within the allowance, NRC should assure that sufficient funding is provided for completion of phase I activities at the Power Burst Facility (PBF), and for dismantlement and disassembly of the PBF facility, following completion of all future anticipated experimentation within this facility. The conference allowance also provides for a High Temperature Gas Reactor research program at the FY 1985 budget level of \$1,600,000.

Amendment No. 62: Deletes language proposed by the Senate requiring a study of the need for an independent organization responsible for conducting investigations of significant safety events.

The conferees agree that the Nuclear Regulatory Commission shall conduct a study to be submitted to the Congress within six months of the date of enactment of this Act, of the need for and feasibility of an independent organization responsible for conducting investigations of significant safety events, including significant operational incidents, at facilities licensed by the Commission and for making reports of such investigations, and that such study shall include a discussion of, (1) the need for and feasibility of an independent organization to investigate significant safety events, including significant operational incidents, at facilities licensed by the Commission, and further in-

cluding the types of events for which such an organization would be responsible, (2) alternative approaches to the composition of such an organization and the functions it might perform, (3) the various powers and authorities, including administrative authorities, that might be exercised by such an organization, (4) the relationship of such an organization to the Commission's existing offices, including, but not limited to, the Office of Investigations, the Office of Inspection and Enforcement, and the Office for Analysis and Evaluation of Operational Data, further including a discussion of the functions that such an organization might perform beyond those currently carried out by any such existing offices, (5) the cost of setting up and operating such an organization, (6) the need for additional legislative authority to establish such an organization, (7) the advisability of separating determinations with respect to nuclear safety from all other issues to be considered by the Commission in issuing or reviewing licenses and the alternative procedural approaches both formal and informal, to include non-adjudicatory processes, that might be employed for the collection of facts and the resolution of safety issues, and (8) the advantages and disadvantages of the present organization of the Commission for the determination of matters of safety, including an analysis of all existing procedural constraints on the Commission's abilities to carry out those functions effectively and efficiently, to include, but not limited to, the Commission's ex parte and separation of functions rules and the Commission's statutory responsibilities under the Government in the Sunshine Act.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

Amendment No. 63: Appropriates \$129,547,000 as proposed by the Senate in-

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Congressional Record (House) H6979, June 26, 1984

The conferees agree that the Nuclear Regulatory Commission shall conduct a study to be submitted to the Congress within six months of the date of enactment of this Act, of the need for and feasibility of an independent organization responsible for conducting investigations of significant safety events, including significant operational incidents, at facilities licensed by the Commission and for making reports of such investigations, and that such study shall include a discussion of, (1) the need for and feasibility of an independent organization to investigate significant safety events, including significant operational incidents, at facilities licensed by the Commission and further including the types of events for which such an organization would be responsible, (2) alternative approaches to the composition of such an organization and the functions it might perform, (3) the various powers and authorities, including administrative authorities, that might be exercised by such an organization, (4) the relationship of such an organization to the Commission's existing offices, including, but not limited to, the Office of Investigations, the Office of Inspection and Enforcement, and the Office for Analysis and Evaluation of Operational Data, further including a discussion of the functions that such an organization might perform beyond those currently carried out by any such existing offices, (5) the cost of setting up and operating such an organization, (6) the need for additional legislative authority to establish such an organization, (7) the advisability of separating determinations with respect to nuclear safety from all other

issues to be considered by the Commission in issuing or reviewing licenses and the alternative procedural approaches both formal and informal, to include non-adjudicatory processes, that might be employed for the collection of facts and (8) the advantages and disadvantages of the present organization of the Commission for the determination of matters of safety, including an analysis of all existing procedural constraints on the Commission's abilities to carry out those functions effectively and efficiently, to include, but not limited to, the Commission's ex parte and separation of functions rules and the Commission's statutory responsibilities under the Government in the Sunshine Act.



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

APR 20 1984

MEMORANDUM FOR: Chairman Palladino
Commissioner Gilinsky
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal

FROM: William J. Dircks
Executive Director for Operations

SUBJECT: ACRS RECOMMENDATIONS TO ELEVATE AEOD TO A COMMISSION-LEVEL OFFICE

In a memorandum dated April 11, 1984, to the Chairman, the ACRS recommended that the Office for Analysis and Evaluation of Operational Data (AEOD) report directly to the Commission. In making this recommendation, the ACRS observed that there is much to be gained and little to be lost by such a realignment. Unfortunately, I believe the ACRS focused only on the aspect of independence and failed to consider some of the other aspects and implications associated with such a change.

Further, I might note that while the ACRS indicated that the time has come for such a shift, the basis was one of prudence, and not need, since no evidence was seen that the independence of AEOD had been infringed. Thus, in the absence of a problem, it becomes even more important to assure that the benefits from such a realignment, whether real or perceived, do in fact outweigh the cost and disruption such a move will cause.

At the specific direction and urging of the Commission, a coordinated program on operational data involving many staff offices was established and is now in routine operation. The heart and focal point for this program is AEOD. However, the role and responsibilities of AEOD go well beyond its role to perform independent operational data event assessment and precursor identification. As noted in the enclosure, AEOD responsibilities also encompass a number of essential staff functions. These staff responsibilities and their importance to other ongoing activities are so tightly coupled that the separation of AEOD and the re-creation of the same functions elsewhere in the staff will cause serious disruption, a lessening of effectiveness, and a need for greater overall resources.

Thus, if more independent or additional review of operating events is considered necessary at the Commission level, I would suggest that the creation

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of a new organizational element be pursued other than considering a major realignment involving AEOD.

I would be pleased to provide any additional information or clarification that you may desire.

(Signed) William J. Dircks

William J. Dircks
Executive Director
for Operations

Enclosure:
Current AEOD Staff
Responsibilities

cc: Chairman, ACRS
OPE
OGC
SECY

Current AEOD Staff Responsibilities

- Formulate and implement new operational data reporting requirements such as the LER rule (50.73).
- Monitor the rate of progress of and provide staff representation and input to the INPO-managed Nuclear Plant Reliability Data System.
- Develop and manage operational data bases covering LERs, Part 21, and 50.55e reports, foreign event information, and nonreactor operational experience.
- Direct the Abnormal Occurrence program and prepare necessary reports and related direction and guidance documents.
- Feed back the lessons of experience of operational data identified by AEOD and other NRC offices through publication of the bimonthly, Power Reactor Events.
- Provide reporting of significant U.S. events to the Incident Reporting System (IRS) of the Nuclear Energy Agency and serve as the U.S. representative to Principal Working Group 1.
- Conduct trend and pattern analyses of U.S. operational experience in order to identify and assess situations where the frequency, type, or location of events and failures may pose a potential safety concern.
- Provide input to the SALP process based upon licensee reports of operating events and failures.
- Coordinate operational data activities and the related Memorandum of Agreement with INPO, including sharing of data and assessment results which may indicate potential safety problems.
- Serve as a technical advisor to the EDO and perform special reviews and studies as requested.

DISTRIBUTION:

DCS
AEOD C/F
AEOD S/F
W. Dircks
EDO R/F
C. Heltemes
T. Ippolito

J. Roe
T. Rehm

APR 30 1985

MEMORANDUM FOR: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech

FROM: William J. Dircks
Executive Director for Operations

SUBJECT: INFORMATION RELATIVE TO THE STUDY CONCERNING
THE NEED FOR AN INDEPENDENT SAFETY ORGANIZATION

The purpose of this memorandum is to transmit the attached letter from Mr. C. O. Miller, former Director of NTSB, Bureau of Aviation Safety. Mr. Miller's letter provides his views of the Brookhaven National Laboratory Report, "An Independent Safety Organization" NUREG/CR-4152 dated February 15, 1985. Mr. Miller's letter is a reference to the ACRS letter dated March 13, 1985 and is provided for your information.

(Signed) William J. Dircks

William J. Dircks
Executive Director for Operations

Attachment:
As stated

cc: OPE
OGC
SECY
ACRS

~~ESG/SH/STH~~
lp.

OFFICE	AEOD:DD	AEOD:D	EDO				
SURNAME	Tippolito	CJ Heltemes	WJ Dircks				
DATE	4/27/85	4/25/85	4/ /85				

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, D. C. 20555

January 8, 1985

MEMORANDUM FOR: Dr. Harold W. Lewis, ACRS Member
FROM: Dr. John H. Flack, ACRS Fellow
SUBJECT: SYSTEM SAFETY, INC. RESPONSE TO THE BROOKHAVEN (NTSB) REPORT

J. Flack

I sent a copy of the Brookhaven (NTSB) report to Charles O. Miller (former Director of NTSB, Bureau of Aviation Safety) for comment. Mr. Miller has impressive accident investigations and system safety engineering/management experience; he is currently President and Principal Consultant of System Safety, Inc.

In his reply (letter attached), Mr. Miller generally agrees with Brookhaven's recommendations that an independent "Office of Nuclear Safety reporting to the Commissioners," would provide (for now) the best approach. However, he warns that certain (questionable) information obtained and relied upon by Brookhaven might require additional followup for more appropriate objectivity. Mr. Miller comments on problems plaguing the NTSB that were not contained in the Brookhaven report although he strongly endorses the Board's basic concept and the Board's contributions to air safety.

I have listed below some of the key points in Mr. Miller's letter that you might find of interest.

- Inspectors, engineers, program managers, et al, are not good investigators by definition. Investigation for safety purposes is an art as much as a science; thus special education, training and indoctrination is necessary for success.
- Statutory protection for any "Office of Nuclear Safety" is required to allow for independent critical review of the NRC Staff when necessary.
- In accident/safety investigations, it is very important to downplay causation - especially singular cause - in favor of identifying reasonable preventive or remedial actions.
- Mr. Miller stresses the need for a definitive safety investigation manual and special instrumentation to enhance information available at the time of freezing the accident.
- Mr. Miller notes the need for carefully plan budgeting and task allocation. This has not been done adequately in civil aviation.

Attachments:
As Stated



SYSTEM SAFETY, INC.

7722 Bridle Path Lane

McLean, Virginia 22102

Telephone: (703) 356-5065

December 27, 1984

Dr. John R. Flack
Advisory Committee on Reactor Safeguards
Nuclear Regulatory Commission (M/S H-1016),
1717 H Street NW
Washington, D.C. 20555

Dear John:

Many thanks for the opportunity to review the Brookhaven draft report, "An Independent Safety Organization". It was a very good, thought-provoking job, especially considering the time constraints imposed upon the authors.

I found myself in general agreement with the main thrust of the report which recommended an independent Office of Nuclear Safety (ONS) reporting to the Commissioners at least for now. (pp. 171-172). Similarly, the authors identified many investigation deficiencies which apparently are still present although I, among others, identified most of them in the immediate post TMI-2 accident period. Their interpretation of corrective measures based heavily upon NTSB experience also has merit; however, it in this area that I might make some observations. As the authors implied in their "Acknowledgements" (p. ii), they had to work from interviews and written information with little time to followup questionable areas. In this regard, I believe they saw only the blooming side of the rose and probably did not spot many of the thorns that exist within the NTSB system. Let me explain.

The Board arrangement does indeed work well (p. 152) if one were to concentrate only on the major air carrier cases that make the headlines, and examine history only up to at least a few years ago. Unfortunately, NTSB is living on their reputation in many ways, especially in the general aviation field. They have neither the leadership nor backing by the Administration to function as effectively as the public and many Congressmen think they are. The reasons for this are not easy to describe in a letter, but let me mention a few key points.

Despite congressional rhetoric, personnel positions and funds have not kept up with the increased complexity and numbers of aviation accident investigations that arise. This has occurred over a period of 1-2 decades, not just recently. (Keep in mind, the aviation accident function in principle as used at the Safety

Board goes back to 1938. It didn't start in 1975 as people looking only at the Independent Safety Board Act of 1974 seem to think.) The result has been a severe degradation of the quality of the less visible cases. "Delegation" of these cases to the FAA for fact finding purposes has not helped appreciably since the FAA also has had budget crunches and, in some cases, Administrators who simply would not allocate manhours to the safety investigative task. What this means to you-all is the need to plan budgeting and task allocation carefully over the entire range of investigations, something that simply is not now being done in civil aviation.

The above point plus the political atmosphere I'll get to more in a moment has resulted in severe conflicts between the senior investigatory staff at NTSB and the Board Members together with their Managing Director. The esprit de corps may continue within the aviation faction (p. xi), but morale is at a horrendous low at the NTSB's Washington headquarters today. The last two investigation bureau directors have been literally forced out of their positions over these problems. Another senior official is in litigation with the Board over treatment he has received.

This internal adversarial atmosphere problem has at its origin much of what affects all government agencies today; i.e., the nearly-declared war between the Administration and the civil service. But in NTSB's case, it's much more fundamental. Several administrations, not just President Reagan's, have treated NTSB as merely a dumping ground for people to whom political spoils were to be allocated. It has been the exception, not the rule, when qualified people were appointed to the Board. Vacancies were allowed to persist to the point one wonders if the intent was to let the Board's activities come to a halt because a quorum couldn't be obtained. As of five days from now, only two NTSB Members out of the nominal five will be sitting in terms of office per the basic provisions of the NTSB enabling statute. And kid you not, these Board members do effect changes to the reports once before them, let alone exert influence in the background during the investigations. Given reasonable qualifications of the Members, this is not only to be expected but also desirable. Some very severe philosophical conflicts occur, however, when safety-motivated experienced staffers come up against media-motivated, essentially transient political types, whether the latter are at Board level or at senior administrative levels.

The Board concept is an excellent one provided the Administration provides Members with reasonable technical/managerial/intellectual capabilities and the professional staff is given its due regard. That is not going on at NTSB today and represents the pitfalls to be avoided if the nuclear safety board (NSB) concept is pursued.

Some other quick thoughts about NTSB and Brookhaven's analysis

thereof:

- o The NTSB's "oversight" role was there from the beginning in 1966-67. I really do not believe it has increased in recent years. It is a natural result of investigations that go beyond the obvious "probable cause". (More on that later.) As long as resources are allocated, special studies, special hearings, etc. can be conducted. We had many of these when I headed the aviation activity from 1968 to 1974.
- o The NTSB's pronouncements limiting investigations to non-litigants (p. 89) is somewhat of a sham or at least theoretical. Attend any public hearing and you will see what I mean. Also, some manufacturers' field investigators have even testified under oath that they report to their general counsel at the home office. The secret is to keep the non-adversary image down as much as possible or at least have enough "Parties" to keep the biases balanced. The NTSB does this well in the big cases. They've failed terribly in the small ones. (This balancing of adversarial interests during the investigation, I might add, is why an investigating agency must maintain and assign enough technical talent in sufficient numbers themselves to keep from being "snowed" by the Parties. It also explains why the head of the agency must be someone of acknowledged stature in the business at hand. He/she will have to compete on occasion with some industry heavyweights.)
- o The NTSB "reports" that cannot be used in litigation (Ref. p. 92 and A-45) are limited only to the "blue cover" reports of the major cases and the computer printout reports that have "cause(s)" listed. Everything else, including group chairman reports, find their way into courtroom testimony.

I hasten to point out that the problems cited above are in the implementation aspect of a safety board approach; not to be construed as negating the importance of the basic concept nor diminish the many positive things that can be said about how NTSB operates. It all just goes to show that upper level management support (in this case, the Administration and/or the Congress) and the selection of the right people can make or break any endeavor.

Finally, let me cite three areas that I think merit special attention regarding whatever direction is taken in followup to the Brookhaven study. First is the matter of investigation protocol and how you best make it effective. I do not believe the report sufficiently covered this in that needs were noted but

little said on how to fulfill them. (Reference the material beginning on p. 71 and again on p. 124.)

The solution begins by acknowledging that inspectors, engineers, program managers et al are not good investigators by definition of those jobs or qualifications therefor. Investigation for safety purposes is an art as much as a science; thus special education, training and indoctrination is needed to make it effective. This includes not only for those people assigned to the permanent investigative staff but also key people among the potential "Parties". NTSB, and the CAB Bureau of Safety before it, had aviation accident investigation training schools (sometimes in coordination with the FAA) which were largely responsible for the esprit de corps and general mutual respect that existed for many years among parties to later investigations. Industry and numerous other groups sent people to these schools, let alone it being a requirement for all new hires in the aviation bureau. (As an economy measure several years ago, that effort was largely abandoned, and diminished cooperation and investigation efficiency soon followed.)

Closely allied to the training is the need for a definitive safety investigation manual so that everyone plays the same tune. If this exists for NRC, it was not mentioned in the Brookhaven study.

Still another integral part of an effective investigation protocol is the use of special instrumentation to enhance information available at the time of "freezing" the accident, as the report called it. I'd be surprised if the data recording systems in the control rooms were designed with this in mind. In aviation, of course, there are not only flight data recorders providing survivable flight and hardware system data but also cockpit voice recorders. The latter is invaluable in understanding human performance during emergencies. The concept would apply to nuclear plant operations as well, as I recall the problems we had investigating TMI-2.

A second area for special attention is the matter of the objective of the accident investigations. The Brookhaven report places "cause" as that objective, (e.g., top of p. 125), no doubt influenced by lay persons' understanding of accident investigations and/or the duties given to NTSB by statute. (See p. 125) The fact remains that the overwhelming trend in modern safety thinking is to downplay causation - especially singular cause - in favor of emphasizing the need to investigate to the point of identifying reasonable preventive or remedial action. Granted, the mind may have to go through a cause-effect logic to reach to that objective (the cognitive process) but by writing reports which emphasize cause, the culpability image prevails over the report's safety significance. (NTSB is wrestling with this problem now after years of needling by many of us in the safety profession.) Actually, the language of the proposed H.R.

6390 is pretty good in this respect. It defines duties of the Nuclear Safety Board in terms of findings, analysis and recommendations. (p. A-67) That leaves the precise format of the report more open than is found in the NTSB duties, and is really the way to go.

The third area needing highlighting is statutory protection for any Office of Nuclear Safety. This is not only vital to selling the program in the eyes of outsiders but also, done right, can considerably avoid staff-Commission conflicts of the type which have plagued NTSB since about 1971. Having the legislation carefully define the qualifications of the office Director; having the position at a high enough level to merit respect because of the grade level per se; clearly defining investigation authority including control of the release of information (all factual info as soon as possible but not to inhibit the investigative process); the matter of immunity and confidentiality of witness statements (these are two different things)...these are some of the issues that need to be settled to give the new office a fighting chance. They should be considered in the proposed legislation.

In conclusion, let me again say how impressed I was with the Brookhaven study and certainly the thrust of their findings and recommendations. Some day I hope the report can be made public. It will be a valuable aid in teaching safety management in addition to its publication providing credit to the authors where credit is due.

Please give me a call if I you have any questions relative to my comments in this letter or my views on any other thoughts raised in the report.

Sincerely,



C. O. Miller



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

Enclosure 1

APR 20 1984

MEMORANDUM FOR: Chairman Palladino
Commissioner Gilinsky
Commissioner Roberts
Commissioner Asseistine
Commissioner Bernthal

FROM: William J. Dircks
Executive Director for Operations

SUBJECT: ACRS RECOMMENDATIONS TO ELEVATE AEOD TO A COMMISSION-LEVEL OFFICE

In a memorandum dated April 11, 1984, to the Chairman, the ACRS recommended that the Office for Analysis and Evaluation of Operational Data (AEOD) report directly to the Commission. In making this recommendation, the ACRS observed that there is much to be gained and little to be lost by such a realignment. Unfortunately, I believe the ACRS focused only on the aspect of independence and failed to consider some of the other aspects and implications associated with such a change.

Further, I might note that while the ACRS indicated that the time has come for such a shift, the basis was one of prudence, and not need, since no evidence was seen that the independence of AEOD had been infringed. Thus, in the absence of a problem, it becomes even more important to assure that the benefits from such a realignment, whether real or perceived, do in fact outweigh the cost and disruption such a move will cause.

At the specific direction and urging of the Commission, a coordinated program on operational data involving many staff offices was established and is now in routine operation. The heart and focal point for this program is AEOD. However, the role and responsibilities of AEOD go well beyond its role to perform independent operational data event assessment and precursor identification. As noted in the enclosure, AEOD responsibilities also encompass a number of essential staff functions. These staff responsibilities and their importance to other ongoing activities are so tightly coupled that the separation of AEOD and the re-creation of the same functions elsewhere in the staff will cause serious disruption, a lessening of effectiveness, and a need for greater overall resources.

Thus, if more independent or additional review of operating events is considered necessary at the Commission level, I would suggest that the creation

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of a new organizational element be pursued other than considering a major realignment involving AEOD.

I would be pleased to provide any additional information or clarification that you may desire.

(Signed) William J. Dircks

William J. Dircks
Executive Director
for Operations

Enclosure:
Current AEOD Staff
Responsibilities

cc: Chairman, ACRS
OPE
OGC
SECY

Distribution:

WJDircks
JRoe
TRehm
VStello
CHeltemes
EDO r/f

Current AEOD Staff Responsibilities

- Formulate and implement new operational data reporting requirements such as the LER rule (50.73).
- Monitor the rate of progress of and provide staff representation and input to the INPO-managed Nuclear Plant Reliability Data System.
- Develop and manage operational data bases covering LERs, Part 21, and 50.55e reports, foreign event information, and nonreactor operational experience.
- Direct the Abnormal Occurrence program and prepare necessary reports and related direction and guidance documents.
- Feed back the lessons or experience of operational data identified by AEOD and other NRC offices through publication of the bimonthly, Power Reactor Events.
- Provide reporting of significant U.S. events to the Incident Reporting System (IRS) of the Nuclear Energy Agency and serve as the U.S. representative to Principal Working Group 1.
- Conduct trend and pattern analyses of U.S. operational experience in order to identify and assess situations where the frequency, type, or location of events and failures may pose a potential safety concern.
- Provide input to the SALP process based upon licensee reports of operating events and failures.
- Coordinate operational data activities and the related Memorandum of Agreement with INPO, including sharing of data and assessment results which may indicate potential safety problems.
- Serve as a technical advisor to the EDO and perform special reviews and studies as requested.

Enclosure 2

NRC COMMENTS ON THE BNL STUDY -

AN INDEPENDENT SAFETY ORGANIZATION



UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, D. C. 20555

March 13, 1985

The Honorable Nunzio J. Palladino
Chairman
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Dr. Palladino:

SUBJECT: ACRS COMMENTS ON THE POSSIBILITY OF AN ORGANIZATION LIKE THE NATIONAL
TRANSPORTATION SAFETY BOARD (NTSB) FOR NUCLEAR SAFETY

The ACRS has been following with interest the deliberations about the need for a formal institutional structure for the investigation of nuclear events, patterned after the National Transportation Safety Board (NTSB). We have written two letters on the subject, one on June 8, 1978 in which we saw no need for such an organization, and another on April 11, 1984 in which we recommended that the Office for Analysis and Evaluation of Operational Data (AEOD) be elevated to the status of a Commission Office. In the interim, the 1984 NRC Authorization contained language tasking the NRC to reexamine the NTSB concept, and the Brookhaven National Laboratory (BNL) was asked to carry out the study on behalf of NRC. We understand that the BNL report on this study has been made public and transmitted to the Congress, and that Commission comments on the report will follow.

We have studied the BNL report and have discussed it during the 299th meeting, March 7-9, 1985. We have also had the benefit of a briefing by BNL during a subcommittee meeting on March 6, 1985. We are pleased to transmit herewith our comments.

Overall, we believe that the BNL group has done an excellent job of laying out the issues that are relevant to the need (or lack thereof) for an independent board or agency for the investigation of significant events. There are arguments for and against such a board or agency, and the BNL group interviewed approximately 40 people in formulating its recommendation, sampling as nearly as we can tell, most of the diversity of views on the subject. (A number of ACRS members were among those interviewed.)

In the end, BNL recommends formation of a "quasi-independent" event-investigation office, within NRC but reporting directly to the Commission, and recommends giving it statutory standing, like several other NRC offices. They recommend calling it the Office of Nuclear Safety (ONS), though other names may be more appropriate, and also recommend -- and this is important -- giving it the broad investigatory authority typified by NTSB. Obviously there are many details of the potential new office's relations with other elements of the community, which are not addressed, but would have to be if the recommendation were implemented. Some of them are matters of great delicacy. We recommend that investigations conducted by ONS exploit the same cooperative "party" system used successfully by NTSB, with parties chosen for their expertise rather than their institutional affiliation.

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March 13, 1985

We support the Brookhaven recommendation for the formation of a new statutory office, while recognizing that the precise organizational structure of the office requires much more work, and that the interoffice relations within NRC require attention. We must further note that statutory status for ONS need not delay its formation, since we believe that NRC now has the requisite authority to establish such an office while seeking its statutory recognition. We also note that the success or failure of the office will depend heavily on the quality of people attracted to serve in it, and this will, in turn, be dependent upon the perceived commitment of the Commission to the change. A mediocre ONS would be worse than no ONS at all. The good reputation of NTSB depends in no small measure on the respect it attracts from both within and without the aviation community.

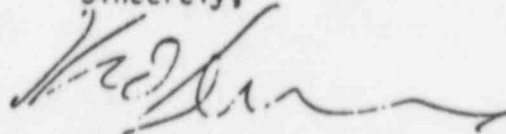
We support the creation of ONS as an alternative to the recommendation in our letter of April 11, 1984. We are also specifically not recommending that AEOD be renamed ONS and elevated to Commission level. The investigatory authority and responsibility are the key points.

We recommend that NRC now embark on the second stage by committing itself to the formation of the new office and by initiating an effort to produce a detailed plan. Since the new office would necessarily dilute some of the authority of existing offices, we think that the planning effort is best performed outside NRC.

We maintain active interest in the subject, wish to be consulted as the drama unfolds, and would like to be kept informed. We will have many detailed suggestions as the planning progresses.

Additional comments by ACRS members Robert C. Axtmann; Jesse C. Ebersole; Max W. Carbon, William Kerr, and David A. Ward; and Harold W. Lewis are presented below.

Sincerely,



Harold W. Lewis
Acting Chairman

Additional Comments by ACRS Member Robert C. Axtmann

The concept of an in-house, NTSB-like investigatory entity is a contradiction in terms. The essential characteristic of the NTSB concept is independence of a regulatory agency that may share culpability in the events that are investigated. The ACRS' proposal, stripped to its essentials, is the creation of a new office within the agency. The virtues, if any, of that arrangement would be lost on the general public and could become a matter of derision for the Commission's critics.

March 13, 1985

Additional Comments by ACRS Member Jesse C. Ebersole

While I agree with the general direction of this letter, I believe the new organization will still be so constrained by bureaucratic traditions and pressures that it will be unable to carry out a truly independent overview function in evaluating accidents and extrapolating the findings to appropriate levels of significance. I also see a problem in the perpetuation of a disease -- "patchitis" -- a treatment of the immediate symptom but not the root problem. One aspect of this might be the inability to permit new and better safety concepts to displace outmoded, complicated, and unreliable patchwork which has grown in over the years.

I believe the new organization should be outside the NRC.

Additional Comments by ACRS Members Max W. Carbon, William Kerr, and David A. Ward

We do not join in the recommendation that a new office for investigation of reactor events be created at this time. We believe that the present system of event investigation is inadequate and needs improvement, but we believe such improvement can and should be made without formation of a new office. There are many other issues facing the NRC. Allocating resources to these issues could make better use of the financial and management resources which would be devoted to creation of the ONS. Furthermore, creation of a new office would introduce another perturbation in regulatory practice. At present, there is great need for predictability and stability. We also question whether the safety record of the aviation and ground transportation industries suggest the NTSB should be a model for safety regulation of nuclear power.

Additional Comments by ACRS Member Harold W. Lewis

I confess to long-standing views on this subject, which predate my appointment to ACRS, and support a truly independent safety board with broader responsibility. NTSB itself evolved through various stages of "quasi-independence" before experience revealed the need for real independence, and I believe that history is likely to repeat itself in this case. Therefore, I support the recommendation.

References:

1. Brookhaven National Laboratory, "An Independent Safety Organization," NRC Report NUREG/CR-4152, dated February 15, 1985
2. Letter dated December 27, 1984 from C. O. Miller, System Safety, Inc., to J. R. Flack, ACRS Fellow, commenting on the draft version of the BNL report



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

NOV 20 1984

MEMORANDUM FOR: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech

FROM: William J. Dircks
Executive Director for Operations

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

In the recent NRC Appropriations Act, Congress required that the NRC conduct a study, to be submitted to the Congress, of the need for and feasibility of an independent organization responsible for conducting investigations of significant safety events, including significant operational incidents, at facilities licensed by the Commission. Subsequently, responsibility for the study was assigned to AEOD. AEOD contracted with the Brookhaven National Laboratory (BNL) to conduct the study.

BNL has completed a draft report (enclosed) of the results of this study. The purpose of this memorandum is to provide you with a copy of the report for your information. The report is currently being reviewed by the staff with regard to its completeness and technical accuracy. Based on this review, changes may be made by BNL in the report if the underlying information is in error. A copy of the final BNL report will be forwarded to the Commission after BNL has had an opportunity to review the staff's comments.

We have placed a copy of this draft report in the Public Document Room. Please call me or Jack Heltemes (x24484) if you have any questions concerning this matter.

(Signed) William J. Dircks

William J. Dircks
Executive Director for Operations

Enclosure:
As Stated

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C/9

cc w/enclosure:

J. Zerbe, OPE
 C. Kammerer, CA
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 S. Chilk, SECY
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