

AUG 5 1985

A. Patrick Leighton, III, Esquire  
Shaw, Patrick, Potts, & Trowbridge  
1800 M Street, NW  
Washington, DC 20036

IN RESPONSE REFER  
TO FOIA-84-293

Dear Mr. Leighton:

This is in further response to your letter dated April 17, 1984, in which you requested, pursuant to the Freedom of Information Act (FOIA), all records relating to the Ford Amendment Study.

We previously made available documents identified in letters to you dated May 3, 1984, May 17, 1984, June 13, 1984, June 27, 1984, August 1, 1984, September 4, 1984, June 10, 1985, and July 3, 1985.

The records identified on the enclosed Appendix M are subject to your FOIA request and are now available for public inspection and copying at the NRC Public Document Room in folder FOIA-84-293 under your name.

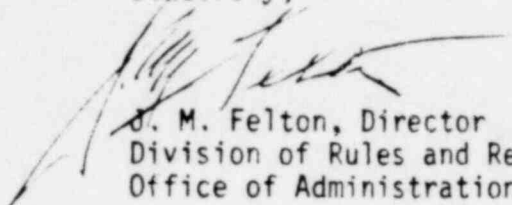
The three records identified on Appendix N are being withheld from public disclosure pursuant to Exemption (5) of the FOIA (5 U.S.C. 552(b)(5)) and 10 CFR 9.5(a)(5) of the Commission's regulations. These records are withheld in their entirety because they contain predecisional advice and opinions regarding the Commission's current consideration of a quality assurance program plan.

Pursuant to 10 CFR 9.15 of the Commission's regulations, it has been determined that the information withheld is exempt from production or disclosure, and that its production or disclosure is contrary to the public interest. The person responsible for denial of items one and two on Appendix N is Mr. John C. Hoyle, Assistant Secretary of the Commission. The person responsible for denial of item three on Appendix N is Mr. John E. Zerbe, Director, Office of Policy Evaluation.

This denial may be appealed to the Secretary of the Commission within 30 days from the receipt of this letter. Any such appeal must be in writing, addressed to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and should clearly state on the envelope and in the letter that it is an "Appeal from an Initial FOIA Decision."

We will communicate with you in the near future regarding additional records related to the Ford Amendment Study.

Sincerely,



J. M. Felton, Director  
Division of Rules and Records  
Office of Administration

Enclosures: As stated

APPENDIX M

RECORDS IN PDR FILE FOIA-84-293

1. 11/27/81 Memorandum for William J. Dircks, EDO, from Nunzio J. Palladino, Chairman, entitled "Quality Assurance" (1 page).
2. 08/10/82 Memorandum for William J. Dircks, EDO, from Richard C. DeYoung, IE, entitled "Quality Assurance" (46 pages).
3. 08/20/82 SECY-82-352, "Assurance of Quality" (39 pages).
4. 09/30/82 Memorandum for Secretary from John Ahearne, Commissioner, entitled, "Assurance of Quality (SECY-82-352)" (1 page).
5. 10/07/82 Memorandum for William J. Dircks, EDO, from Samuel J. Chilk, Secretary, entitled "Staff Requirements - Briefing on Quality Assurance" (1 page).
6. 01/28/83 Memorandum for Darrell G. Eisenhut, NRP, from James M. Taylor, IE, entitled "Certification of Licensee Quality Assurance Programs and Role of Designated Representatives" (3 pages).
7. 01/28/83 Memorandum for R. C. Haynes, Region I; J. P. O'Reilly, Region II; J. G. Keppler, Region III; J. T. Collins, Region IV; and R. H. Engelken, Region V, through Richard C. DeYoung, IE, from James M. Taylor, IE, entitled "Certification of Licensee Quality Assurance Programs and Role of Designated Representatives" (24 pages).
8. 03/29/83 Memorandum for William J. Dircks, EDO, from Samuel J. Chilk, Secretary, entitled "Quality Assurance Initiatives (SECY-83-26)" (16 pages).
9. 04/07/83 Memorandum for William J. Dircks, EDO, from Samuel J. Chilk, Secretary, entitled "Quality Assurance Initiatives (SECY-83-26)" (17 pages).

APPENDIX N

RECORDS SUBJECT TO FOIA-84-293 WITHHELD IN THEIR ENTIRETY

1. 09/01/82 Notation Vote Response Sheet to Samuel J. Chilk, Secretary, from John Ahearne, Commissioner, regarding SECY-82-352, Assurance of Quality (1 page).
2. 02/10/83 Memorandum for Gilinsky, Ahearne, Roberts, and Asselstine from Nunzio J. Palladino, entitled "Quality Assurance Initiatives" (1 page).
3. 08/15/83 Memorandum for Palladino, Gilinsky, Roberts, Asselstine, and Bernthal, from John E. Zerbe, OPE, entitled "Quality Assurance Program Plan" (10 pages).



March 20, 1984

## **POLICY ISSUE** (Notation Vote)

SECY-84-124

For: The Commissioners

From: William J. Dircks  
Executive Director for Operations

Subject: REPORT TO CONGRESS ON IMPROVING QUALITY AND THE ASSURANCE OF  
QUALITY IN THE DESIGN AND CONSTRUCTION OF COMMERCIAL NUCLEAR  
POWER PLANTS (FORD AMENDMENT STUDY)

Purpose: To request Commission approval of a proposed letter transmitting  
the QA report to Congress and of three proposed actions recommended  
by the study beyond the authority of the EDO.

Background: On January 4, 1983, the President signed into law the NRC  
Authorization Act for fiscal years 1982 and 1983 (P.L. 97-415).  
Section 13 of this Act requires the NRC to conduct a study of  
existing and alternative concepts for improving quality  
assurance in the design and construction of nuclear power plants  
and to provide a report on the study to Congress within fifteen  
months (i.e., by April 4, 1984). Section 13 of the Act was  
introduced by Senator Wendell Ford of Kentucky and was referred  
to by Senate co-sponsors as the Ford Amendment. The Ford  
Amendment's study requirement can be broken into the following  
subtasks:

1. The study shall include an analysis of quality assurance  
(QA) and quality control (QC) programs at representative  
sites and provide an assessment of why some programs are  
more successful than others.
2. The study shall include an analysis of five alternative  
approaches for improving quality which were described in  
the language of the Act.
3. The study shall include a pilot program to test one or more  
of the five alternative approaches to assess their benefits  
and feasibility.

Contacts:

G. T. Ankrum, IE, 24774  
W. D. Altman, IE, 28490

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4. In conducting the study the NRC shall obtain the comments of the public, licensees, the ACRS, and organizations of professionals having appropriate expertise.
5. The results of the study shall be compiled in a report to Congress which shall also include a summary of the information gained from the groups listed above, NRC's response to the significant public comments received, and an analysis of the results of the pilot program.
6. The report shall be accompanied by the recommendations of the Commission, including any legislative recommendations, and a description of any administrative actions that the Commission has taken or plans to undertake for improving quality assurance in construction.

Discussion:

The enclosed report prepared by IE and reviewed by other staff offices and the regional offices describes the activities undertaken to meet tasks 1-6 above. The report also describes administrative actions underway and those proposed by the study. The most important administrative actions are described in Section 2.4 of the report and are summarized in Tables 2.1, 2.2, and 2.3 of Chapter 2. Chapter 2 provides a comprehensive summary of the study, its conclusions and its recommendations. The proposed transmittal letter to Congress highlights the study's conclusions and recommendations, and when bound into the front of the completed report will serve as the report's executive summary. The transmittal letter, together with the staff's report collectively satisfy study requirements 1-6. At this time, there are no legislative recommendations to be proposed.

There are three proposed administrative actions requiring Commission approval. They are:

- (1) Preparation of a regulatory analysis which may lead to rulemaking requiring periodic comprehensive third party audits for both future plants and plants currently under construction. (See Sections 2.2 and 2.4 and Chapter 4 of the report.)
- (2) Preparation of a regulatory analysis which may lead to rulemaking requiring that organizations building future plants, as a condition of their CP, be required to periodically demonstrate their management capability and effectiveness, including their ability to implement an effective QA program. (See Sections 2.2, 2.4, and 4.3)
- (3) Preparation of a regulatory analysis which may lead to establishment of an advisory board to the NRC comprised of senior executives and others with first hand experience



in the managing, designing, constructing, financing, and insuring of nuclear construction projects to provide advice on the qualifications and capabilities of a CP applicant to successfully construct a nuclear power plant. (See Sections 2.2 and 2.4)

None of the other proposed administrative actions recommended by the report represent new regulatory requirements and they will be evaluated and implemented within the authority of the EDO. The staff will prepare a program plan which identifies overall QA program goals and objectives and provides a task oriented structure for program implementation. The plan, which will include a prioritization of actions and an assessment of resources, will be completed by September 30, 1984. As indicated in SECY 84-45, quarterly QA status reports to the Commission will be resumed beginning in July 1984.

Action:

The staff requests that the Commission approve:

- (1) Staff action to begin the regulatory analysis process which may lead to a third-party audit rule.
- (2) Staff action to begin the regulatory analysis process which may lead to a post CP demonstration rule.
- (3) Staff action to begin the regulatory analysis process which may lead to the establishment of a construction advisory board to the Commission.
- (4) The enclosed letter transmitting the Ford Amendment Study to Congress.

Schedule:

The Ford Amendment Report is due to Congress by April 4, 1984.



William J. Dircks  
Executive Director for Operations

Enclosures:

1. Transmittal Letter to Congress
2. Report to Congress

This paper is tentatively scheduled for discussion at an Open Meeting during the Week of April 2, 1984. Please refer to the appropriate Weekly Commission Schedule, when published, for a specific date and time.

If Commissioners do not vote to approve this paper at the meeting, comments or consent should be provided directly to the Office of the Secretary ASAP following the meeting.

Commission Staff Office comments, if any, should be submitted to the Commissioners NLT Wednesday, March 28, 1984 in preparation for the Commission meeting, with an information copy to the Office of the Secretary. If the paper is of such a nature that it requires additional time for analytical review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

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NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20545

November 27, 1981

MEMORANDUM FOR: William J. Dircks  
Executive Director for Operations

FROM: Nunzio J. Palladino

SUBJECT: QUALITY ASSURANCE

NRC needs to take actions that will result in improved quality assurance at nuclear power plants.

Steps we are taking or planning, as well as other steps that could be taken, were brought up during our testimony to Congressman Udall's Subcommittee last week. A list of corrective measures would include improvements to our inspection and enforcement program as well as considerations such as third party audits, strict sanctions against non-performers, approved bidders lists, and certified independent performance audits of each utility's QA activities.

I would like you to pull together the various approaches that could be taken to strengthen quality assurance, and provide the Commission a preliminary evaluation of the ones that appear most promising from an effectiveness and cost standpoint.

I believe it is desirable to have an initial paper on your recommendations by December 11, 1981. The Commission can then focus on the areas deemed worthy of implementation for further study by the Staff.

cc: Commissioner Gilinsky  
Commissioner Bradford  
Commissioner Ahearne  
Commissioner Roberts  
SECY  
OGC  
OPE  
ACRS

FOIA-84-293

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