



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

November 20, 1996

Mr. Joe F. Colvin, President  
and Chief Executive Officer  
Nuclear Energy Institute  
1776 Eye Street, N.W., Suite 400  
Washington, D.C. 20006

Dear Mr. Colvin:

Thank you for your letter of November 4, 1996, forwarding your November 1, 1996 letter to NEI member chief executive officers. The Commission believes strongly that a free and open dialogue on issues relating to nuclear power and its regulation serves the interests of the industry, the public, and the NRC, and it is in that spirit that we take your comments. It is also in that spirit that I would like to offer a regulator's perspective on the points you raise.

We are committed to continuing our effort to remove unnecessary regulatory requirements and to implement risk-informed and performance-based approaches to regulation. As an agency with limited resources and staff, the NRC must make informed choices in applying its resources to safety significant activities and challenges requiring special oversight, and this underscores the importance of a risk-informed approach to regulation. By focusing our resources on those issues with greatest significance, we will strengthen the quality of our oversight and public confidence in it. We also will seek to enhance consistency and objectivity in our evaluation and enforcement, and, thereby, help to ensure fairness to all. To foster the use of risk insights in regulatory decision-making, the NRC staff currently is developing, on an expedited basis, a Probabilistic Risk Assessment Standard Review Plan and Regulatory Guide, drafts of which should be available by the end of 1996.

As the Commission continues the transition to more risk-informed requirements, it continues to enforce existing regulatory requirements. We must continue to ensure that current plants are operated safely. For industry, that means complying with regulations and licensing requirements and, if necessary, requesting and justifying changes to those requirements on a timely basis; for the NRC, it means appropriate oversight and enforcement with a continuing focus on licensee compliance with existing requirements and a willingness to consider changes to those requirements when needed.

Regrettably, within the past year, significant deficiencies have come to light at several nuclear power plants, and the NRC has responded. NRC's regulatory mandate requires that corrective actions be taken to ensure adequate protection of the health and safety of the public.

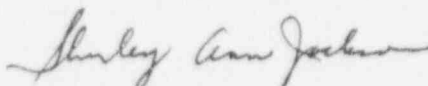
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The NRC's October 9, 1996 letter to licensee CEOs, inquiring about compliance with design basis requirements, was necessitated by the results of inspections at a number of plants. The NRC found it necessary to focus on these issues when it became aware, based on the results of these inspections, that the NRC's presumption -- that licensees were fully complying with, and maintaining, their design bases -- may not be correct for all licensees. These findings caused the NRC to request confirmation of the adequacy and maintenance of design basis information and its use in plant changes, procedures, and operation. The design basis and its use undergirds the safe operation of nuclear facilities. The letter was intended to provide the NRC assurance that current regulatory requirements were being met and to provide a basis for planning and conducting a number of design inspections.

The Commission fully agrees with your comment that the NRC is concerned about the "potential adverse impact of economic deregulation on nuclear safety." As deregulation progresses, we need to be sure that if economic considerations begin to erode safety, licensees and the NRC will be able to detect and arrest any such developments. Indeed, certain of the problems identified during the past year appear to be connected to the economic pressures created by the highly competitive environment in the electric power industry. Under these circumstances, the NRC -- and the industry as well -- have an obligation to give careful attention to the actual or potential problems resulting from changing economic conditions.

I hope that this response has helped to clarify our position, both for you and for NEI's member utilities. We look forward to working with NEI and its members on the many challenges we both face.

Sincerely,

A handwritten signature in cursive script, reading "Shirley Ann Jackson".

Shirley Ann Jackson