



NUCLEAR ENERGY INSTITUTE

Joe F. Colvin

President, NEI

Chairman, U.S. NRC

By Facsimile

November 4, 1996

The Honorable Shirley A. Jackson
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Dr. Jackson:

The attached letter to NEI member chief executive officers is forwarded for your information.

As a part of its ongoing communications with its members, NEI provided the letter to utility CEOs, encouraging them to foster an open dialogue with NRC commissioners and senior management.

It is apparent to all in the industry, including the Commission, I believe, that the regulatory climate has changed in the past few months. We believe it is critical that utility executives fully recognize that fact, and fully reiterate to you their commitment to the safe management and operation of our nation's nuclear power plants.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joe F. Colvin", is written over a circular stamp.

Joe F. Colvin

JFC/ben
Attachment

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CHIEF EXECUTIVE LETTER

DATE: November 1, 1996

TO: Chief Executive Officers

SUBJECT: Current Climate with the Nuclear Regulatory Commission

The following points on the current regulatory climate are provided to you as background. I realize a number of you have routine communications with NRC commissioners and senior NRC staff. The upcoming INPO CEO conference will provide further opportunities for dialogue.

- Over the past few years, progress had been made with the NRC on transitioning to a more risk-informed, performance-based approach to regulation. The regulatory climate encouraged collaborative efforts to improve safety and operational performance by focusing industry and agency resources more effectively.
- Over the past several months, there has been a significant shift in the regulatory climate in which the NRC and the industry operate. Today, the regulatory climate has become more rigid and formal, emphasizing compliance from a legalistic viewpoint through inspection and enforcement mechanisms.
- A number of factors have contributed to this fundamental shift. The intense congressional scrutiny and media coverage that NRC has received as a result of recent events at Northeast Utilities and other companies have created a climate of risk-aversion on the part of the agency.
- The NRC's concerns about the potential adverse impact of economic deregulation on nuclear safety have also contributed to the change.
- The NRC's October 9, 1996 letter to licensee chief executive officers requesting information pursuant to 10 CFR 50.54(f) regarding - compliance with design bases requirements, is the latest example of this new regulatory climate.



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Chief Executive Officers

November 1, 1996

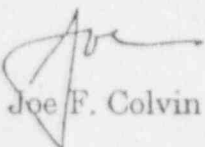
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- The 10 CFR 50.54(f) letter has generated considerable activity in the industry and warrants continuing executive attention from all licensees. Your company's response will be a key factor in shaping NRC's perception of safety and management at your plant(s).
- NEI has forwarded generic industry guidance on responding to the letter and will be discussing this matter with the chief nuclear officers on November 13.

Given the situation that exists today, we believe utility management must take advantage of every available opportunity to demonstrate to the NRC and others that plants are being effectively managed and operated, and that the commitment to safety is absolute. We strongly encourage you to discuss these issues with the Commission and senior NRC staff. We believe it is equally important to stress your financial commitment to continued safe operation together with the need to focus resources on safety significant activities.

NEI will continue its efforts to address the factors that have caused this change in the regulatory focus. These efforts will require every NEI member to communicate to the NRC, the Congress, the media, and the public its commitment to the safe, reliable and economic operation of our nation's nuclear power plants.

Sincerely,



Joe F. Colvin

c: Chief Nuclear Officers