



SECRETARY

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

March 25, 1997

RELEASED TO THE PDR
4/3/97 JKW
date initials

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations
FROM: *John C. Hoyle*
John C. Hoyle, Secretary
SUBJECT: STAFF REQUIREMENTS - COMSECY-96-060 -
OPERATING REACTOR PROGRAM OVERSIGHT (DSI 11)

The staff should continue with the ongoing comprehensive review and systematic re-examination of the areas of licensing, inspection, and performance assessment to identify areas for improvement, implement corrective actions, and verify their effectiveness. This should include development of mechanisms to provide for systematic re-examination of the reactor oversight program to ensure its continued effectiveness and to maximize agency learning in response to emerging issues. The application of lessons learned will be key to improvement. The lessons learned from these reviews must be applied across the industry, where appropriate, and must be verified for effectiveness. The lessons learned, however, must be developed considering both recent events and historic events to make the best use of the full breadth of NRC's regulatory experience.

The staff should be proactive by considering, in a systematic way, how the changes in the regulatory environment might affect future reactor oversight. Currently, the changes in the regulatory environment involve issues such as economic deregulation.

The staff should proceed to develop objective standards to measure licensee performance that reduces subjectivity and establishes an understandable level of performance expectations. Also, the staff should improve application of early indicators of declining performance to reduce reliance on event driven assessments.

(EDO)

(SECY Suspense: 7/31/97)

The staff should pursue new approaches which can be used to improve the regulatory process. To this end, the staff should encourage industry involvement in the development of generic guidelines and input into the regulatory process. The Commission notes that use of the industry to develop generic guidelines for NRC consideration does not automatically predispose the Commission to acceptance. Independence and focus on the safety

mission should remain paramount so that the NRC maintains effective, independent regulation. In addition, the staff should expand the use of technology to improve the efficiency of the licensing and inspection processes where feasible and appropriate. The staff should proceed with efforts to establish an objective standard(s) for the application of risk-informed and performance-based regulation. The staff should consider any relevant knowledge developed in the implementation of the maintenance rule.

The staff should continue the existing process for providing flexibility of staffing in the resident inspector program to enable, when necessary, distribution of NRC inspection resources on the basis of licensee performance. The staff should develop data regarding the past and present demographics of the NRC's resident inspector population with respect to experience and qualifications to ensure that the Commissions's policies have resulted in a stable or improving resident program. The staff should also develop a paper for Commission consideration that discusses the balance between maintaining objectivity and continuity of expertise and experience in determining the appropriate length of assignments for NRC staff members who have frequent interactions with the licensees.

(EDO)

(SECY Suspense: 11/30/97)

The staff's plan to implement this DSI should be coordinated with the plans to implement DSI 12 and DSI 13 to ensure that the implementation plans are mutually compatible and do not create duplicate activities. The staff should also include consideration of the comments received, particularly the comments that highlight the enforcement policy, and the need for improving the rulemaking and hearing processes.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG
E. Jordan (SARSC)
J. Silber (SARSC)