



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

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initials

MEMORANDUM TO: Chairman Jackson  
Commissioner Rogers  
Commissioner Dicus  
Commissioner Diaz

FROM: Edward McGaffigan, Jr. *Edward McGaffigan Jr.*

SUBJECT: COMSECY-96-060 - DSI 11 - OPERATING REACTOR PROGRAM  
OVERSIGHT

This paper is very difficult to get one's arms around in part because it tries to deal simultaneously with licensing, inspection, and performance assessment in each of the options and in part because the paper has the implicit assumption that the ongoing "Millstone/Maine Yankee Lessons Learned" initiatives will result in changes that were not defined as of the time the DSI was drafted and were thus not included in the baseline budget. Stakeholders also seemed to have a difficult time with this paper.

I am also concerned about the resource implications of the Commission's Preliminary Views on this paper -- 46 FTE and up to \$2 million in contractor costs in FY 1999 and at least that level in FY 2000 (if Option 3 is pursued beyond a contractor study).

Therefore, I would differ from the Preliminary Views in several respects. I agree with the discussion of Option 1, which basically calls for incremental improvements in all areas of the reactor oversight program. I would agree with Commissioner Rogers that these incremental improvements should not focus entirely on recent events, but, instead, should take into account the full breadth of our experience as an agency.

I strongly oppose Option 3. While the initial outlay for contractor resources to see "which areas, if any, of the reactor oversight program could benefit from work process re-engineering" may be modest, our experience with business process re-engineering in the materials licensing program indicates that actually pursuing it consumes large FTE and contractor resources for modest initial benefits. Moreover, it is not at all clear to me that the problems facing the reactor oversight program are of the same magnitude as those plaguing the materials licensing program when BPR was initiated there. A "zero-based redesign" of the reactor oversight program would also likely disrupt the ongoing improvements the staff is planning to make in each of the three oversight functions: licensing, inspection, and performance assessment.

Similarly, I do not endorse the pursuit of certain aspects of Option 2, as called for in the Preliminary Views, if that will cost 30 FTE and \$330,000 in contractor support. Let me take each aspect in turn.

I do not oppose "encouraging industry to develop generic guidelines that can be endorsed by the NRC and carried out by the industry," but the paper states on page 12 that the staff encourages this as part of the ongoing program and thus it is really an Option 1 activity already budgeted. To the extent that this requires more resources in the codes and standards area, one might have hoped those resources were already budgeted in DSI-13.

I do not oppose "improving the effectiveness and understanding of the performance assessment process," but that also is an Option 1 activity already underway.

I do not oppose "expanding the use of technology to improve the efficiency of the licensing and inspections processes where feasible and appropriate," but note that this is also part of the ongoing program. Indeed, the Commission was briefed on February 13, 1997, on the planned expanded use of information technology to improve efficiency in the inspection program.

I am concerned about recommending potential "increased opportunities for public involvement." As I noted in my comments on DSI-14, our current programs to involve and communicate with the public usually far exceed any legal requirements. Making the existing opportunities for public involvement work better in an incremental way would seem a better use of resources in a time of tight budgets.

With regard to resident inspector staffing at multiple unit sites, I feel that there is currently sufficient flexibility (with the Regions having to justify each staffing reduction) and I do not support any "blanket approval" for staffing reductions at multiple unit sites. By their very nature, multiple unit sites have increased opportunities for events, more frequent outages, and a higher overall tempo of activity than single unit sites and therefore generally merit a higher staffing level than single unit sites. Instead of further reductions at multiple unit sites, resident inspectors at a multiple unit site staffed at N+1 should be considered for advanced training, team inspections, rotations, details, and other short term assignments during any "quiet periods." I would note that many resident inspectors, particularly experienced senior residents, have developed specialist expertise that, blended with their detailed knowledge of system and plant operations, significantly enhance the effectiveness of specialized inspections. Furthermore, it is precisely this synergistic combination of specialist-generalist that I want to foster by assuring that resident inspectors are not "trapped" in a catch-up, reactive mode but, instead, have the opportunity to carefully investigate and research problems and issues that arise at their sites.

In my short time with the NRC, following numerous interviews and document reviews, I have come to the conclusion that the best preventive measure against undetected degradation of licensee performance is a well-qualified, upwardly mobile, and fully staffed resident inspector corps who are relatively unburdened with collateral tasks and whose clear mandate is to confirm that the licensee is operating the plant safely and in compliance with NRC regulations and license requirements. 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 Commission's policies have resulted in a stable or improving resident program.

Finally, I believe that the stakeholder comments on the timeliness and effectiveness of our rulemaking process need to be taken seriously. In my comments on DSI-22, I have recommended moving the rulemaking function from the Office of Nuclear Regulatory Research to the Program Offices. In my comments on DSI-13, I have suggested the need for internal agency performance indicators to ensure timely update of regulations and regulatory guides when codes and standards are updated. I will also deal with this issue in my comments on DSI-23. Suffice it to say here that I believe we should take whatever reasonable actions we can to improve the timeliness of our rulemaking and regulatory guidance updates.

cc: EDO  
OGC  
SECY  
CFO