



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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ARLINGTON, TEXAS 76011-8064

May 31, 2000

MEMORANDUM TO: Howard F. Bundy, Senior Operations Engineer
Gary W. Johnston, Senior Operations Engineer
Michael Murphy, Senior Operations Engineer
Stephen F. McCrory, Senior Operations Engineer
Thomas F. Stetka, Senior Operations Engineer

FROM: Ellis W. Merschoff, Regional Administrator **IRAI**

SUBJECT: DIFFERING PROFESSIONAL VIEW CONCERNING THE FREQUENCY
OF PROBLEM IDENTIFICATION AND RESOLUTION INSPECTIONS

This is in response to your April 7, 2000, memorandum to me on the same subject. An Ad Hoc Panel was established on April 11, 2000, in accordance with Management Directive 10.159, to review your Differing Professional View (DPV) and make recommendations to me for its resolution. A copy of the Panel's May 10, 2000, results, including its recommended actions, is attached. Subsequent to a briefing I received from the Ad Hoc Panel on May 12, 2000, the panel clarified its initial results. A copy of the May 16, 2000, clarifying information is also attached.

I want to thank each of you for the effort you have given to bring this matter to me. I genuinely appreciate and admire your attention to the Region IV Code of Conduct for Region Inspectors. I know, through my personal interactions with each of you since I became Regional Administrator, that your reference to the Code is sincere. It is the willingness of our employees to take that extra effort in ensuring the effective and efficient operation of the region that has caused Region IV to be recognized for its performance.

I have reviewed the Ad Hoc Panel's observations and recommendations for action. Although I agree in principle with all of the panel's results, I do not plan to implement the recommendations as written. In particular, the first recommended action to forward the DPV to the Executive Director for Operations (EDO) is inconsistent with the intent of the Management Directive. The EDO is tasked with handling Differing Professional Opinions, the process used to address the appeal of DPVs. I believe it is appropriate to retain the independence of the EDO from this DPV such that any appeal could be appropriately handled under the management directive. Therefore, I plan to forward the recommendations related to the first concern to the appropriate NRC line managers for action.

Before addressing the specific recommended actions, I would like to provide my view regarding the central issue of the DPV, that is the regulatory burden imposed by this new baseline inspection program problem identification and resolution (PIR) inspection procedure. I agree that, when compared to its predecessor under the core inspection program, the new procedure for PIR inspections increases the burden on the licensee. However, it is my belief that the new baseline

inspection program, taken as a whole, provides our licensees a significant net reduction in regulatory burden. The reduction in burden associated with our revised enforcement approach by itself has been lauded by the industry. When combined with the more predictable and scrutable baseline inspection program, this new inspection and assessment process is a major step forward in achieving the principles of the Government Performance and Reform Act within the NRC. It will take time and experience to determine the most efficient way to manage the new program, including the scheduling and conduct of the PIR inspections. I am confident that adjustments will be made as we gain experience in order to enhance effectiveness and efficiency further.

With respect to the first recommendation of the Ad Hoc Panel, I have discussed recommendations 1.a, 1.b, and 1.c with the Deputy Director, Office of Nuclear Reactor Regulation. He has reviewed these recommendations with his staff and has provided the following description of NRR's plans relative to each recommendation.

- 1.a NRR should assess the results of each inspection as a function of expended resources.

NRR plans to evaluate each inspection and the resources utilized under the reactor oversight process. These activities are already planned as a part of the inspection program self assessment following one year of implementation of the reactor oversight process.

- 1.b. The NRC should develop a method of measuring burden on licensee.

NRR plans to solicit feedback on the burden associated with the reactor oversight process. During the pilot, IIPB received feedback from the industry via NEI and during lessons learned workshops. This feedback was considered in adjusting the baseline inspection program. IIPB believes a similar process will be used during the review of the initial year of implementation of the reactor oversight process. However, we do not plan to develop a method of measuring burden.

- 1.c. NRR should adjust inspection scope and/or frequency based on result of inspection assessment and burden on licensee.

NRR will make adjustments to the reactor oversight process based on the results of the self assessment of the reactor oversight process. The staff is developing the metrics it will use to evaluate the first year of implementation of the reactor oversight process. As discussed above, IIPB is planning to evaluate inspection results and resources as part of this self assessment. It will consider, as appropriate, feedback on unnecessary burden.

Recommendations 1. d. and 1. e. are the responsibility of Region IV. Recommendation 1. d. will be accomplished as part of our overall response to NRR's request for evaluation of the first year's experience under the new baseline program. Recommendation 1. e. will be accomplished, on an as needed basis, by the Director, Division of Reactor Projects to obtain help from other Regions in accomplishing the inspection activity assigned to Region IV.

With respect to the second recommendation of the Ad Hoc Panel, each of the four sub-parts is a question that we have been dealing with and will require continuing attention throughout the year.

If you have any questions, or would like to discuss this further, I would be pleased to meet with you. Additionally, Management Directive 10.159 provides for DPVs to be placed in the Public Document Room upon the request of the submitter; otherwise, the records are maintained only in the region. Please advise me if you desire for the panel's results to be made public.

Attachments: As stated

cc w/o Attachments:

Charles Marschall, Chairman, Ad Hoc DPV Review Panel

Kriss Kennedy, Member, Ad Hoc DPV Review Panel

Michael Runyan, Member, Ad Hoc DPV Review Panel

Multiple Addressees

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bcc w/Attachments:
RZimmerman, NRR
EWMerschhoff
TPGwynn
KSmith

DOCUMENT NAME: S:\RAS\RADIR\DPV Response.wpd

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