

May 28, 2002

MEMORANDUM TO: Farouk Eltawila, Director  
Division of Systems Analysis and Regulatory Effectiveness  
Office of Nuclear Regulatory Research

FROM: John A. Zwolinski, Director */RA/*  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

SUBJECT: RES AUDIT REPORT ON THE PLANT-SPECIFIC BACKFIT PROCESS

In your memorandum dated April 25, 2002, you provided NRR with the subject audit report, offering us the opportunity to comment on the findings before the audit close out package is issued.

We agree with the primary conclusion reached in this audit report, that the plant-specific backfit process has performed its intended function, bringing order, discipline, and predictability to agency activities. We also agree with the findings of the auditors that agency sensitivity to backfitting issues have heightened in recent years, and that the initiatives undertaken by NRR have significantly improved our external stakeholders' understanding of regulatory processes. We will continue to promote effective and timely communications with our external stakeholders to maintain this level of productive understanding.

NRR has provided a number of comments on this audit report to RES, both in my memorandum to you dated May 14, 2001, and through informal discussions between members of our staff. Our interpretation of the specific issues associated with the cases evaluated in the appendices differ in some respects with the conclusions reached by the audit team, mainly in the area of what constitutes a backfit action. However, since the audits were performed several years ago, NRR has implemented the Reactor Oversight Program and made significant improvements to guidance documents on interactions with licensees (e.g., NRR Office Instruction LIC-101, "License Amendment Review Procedures"). Therefore, we believe the audit findings are no longer relevant to the current inspection and licensing processes and that no further efforts are needed to resolve those aspects of the appendices we continue to disagree with.

If there are any questions regarding this reply, please contact Mel Fields of my staff at 415-3062.

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