

July 15, 2003

Mr. Joe F. Colvin
President and Chief Executive Officer
Nuclear Energy Institute
1776 I Street, N.W.
Suite 400
Washington, D.C. 20006-3708

Dear Mr. Colvin:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to your letter, dated May 23, 2003, in which you provided your views on the Commission's Staff Requirements Memorandum associated with SECY-02-0166, "Policy Options and Recommendations for Revising the NRC's Process for Handling Discrimination Issues."

In your letter, you recommended that the NRC staff perform the SRM-directed assessment of the investigative techniques used by the Office of Investigations by engaging reviewers from outside the agency. Your letter also recommended that the NRC's evaluation include insights from the Department of Labor, industry representatives, accused individuals, alleged and their representatives. The staff is currently developing a plan to perform this assessment, which, as directed by the Commission, will be conducted by an independent review group. The Commission has advised the staff that the independent review should be conducted by external reviewers.

In addition, your letter requested that the NRC staff develop a proposed alternative dispute resolution (ADR) process to resolve discrimination allegations. The Commission believes that ADR may be an important tool that could be employed in the resolution of discrimination cases. As you are aware, the NRC staff has actively sought public comment to evaluate the possible use of ADR in the NRC's enforcement process. In September and October 2002, the staff conducted several workshops and public meetings across the nation on the possible use of ADR. The Commission expects to address the use of ADR in the very near future. It should be noted however, that the current regulatory framework does not preclude a licensee from establishing and implementing an ADR process for resolving discrimination issues.

Lastly, your letter requested that the NRC staff defer its efforts to develop guidance on "best practices" to encourage a safety conscious work environment until the industry completes its activities in this area. The Commission believes that it is important for the staff to complete this work and has directed the staff to develop guidance in consultation with its stakeholders. Therefore, I encourage the Nuclear Energy Institute (NEI) to continue with its efforts in developing the industry guidance and to provide its comments to the agency.

Thank you for providing your comments on this important matter. Please do not hesitate to contact me if you still need additional information.

Sincerely,

/RA/

Nils J. Diaz