

August 10,2006

Marvin S. Fertel
Senior Vice President and
Chief Nuclear Officer
Nuclear Energy Institute
1776 I Street, NW., Suite 400
Washington, DC 20006

Dear Mr. Fertel:

Thank you for the April 17, 2006, letter from Mr. Stephen D. Floyd and the June 30, 2006, letter from Mr. Anthony R. Pietrangelo of the Nuclear Energy Institute (NEI). The NEI letters provide industry comments on the staff's approach for the implementation of the safety culture initiative.

We agree that the revisions to the Reactor Oversight Process (ROP) should be closely monitored. An internal ROP safety culture focus team is being formed to provide oversight of the implementation of the ROP revisions and to promote consistent implementation across the regional offices. The staff will utilize lessons learned from the 18-month period to make necessary changes to the oversight process and will provide the results to the Commission as part of the ROP Self-Assessment Commission paper for calendar year 2007. However, based on our continuing dialogue with the industry, if a significant concern with the process develops, we will work with our external stakeholders to address it.

We appreciate NEI's feedback on NRC's approach to the transition issues for safety culture implementation. The staff documented how it will handle safety culture transition issues in Regulatory Issues Summary (RIS) 2006-13, "Information on the Modifications to the Reactor Oversight Process to More Fully Address Safety Culture." The RIS was issued on July 31, 2006, and is available in the NRC's Agencywide Documents Access and Management System (ADAMS) as Accession No. ML061880341. The RIS documents our partial agreement that actions associated with multiple substantive cross-cutting issues can be deferred to the end-of-cycle assessment in February 2007 only with respect to the NRC asking a licensee to perform a safety culture assessment.

Following careful deliberation of the industry request for a trial implementation period for the safety culture changes, the staff decided to proceed with the 18-month initial implementation period. This decision was based upon the complexities involved with maintaining two sets of ROP assessment information during a trial period, the extensive stakeholder interactions that took place during the development of the ROP revisions, and the post-implementation monitoring that will be conducted by the staff.

With regard to NEI's concerns that no mechanism exists to screen out cross-cutting aspects of low safety significance findings, we currently believe the ROP assessment process identifies any findings related to cross-cutting areas at an appropriate threshold. However, the staff will continue to work with industry on possible new approaches or mechanisms in this area during public monthly ROP meetings.

M. Fertel

-2-

We note NEI's concern that the threshold is too low to identify a substantive cross-cutting issue for the area of Safety Conscious Work Environment (SCWE). Although the staff believes the assessment process is defined appropriately for the SCWE area, we will monitor the results during the 18-month implementation period and make any necessary adjustments. We welcome further dialogue regarding this issue, based upon lessons learned.

We agree with NEI that during the initial implementation period the public monthly ROP meetings will provide an appropriate forum for information exchange between the staff and the stakeholders. We also agree that the Fall 2006 Regional Utility Group (RUG) meetings are appropriate forums to facilitate the dialogue on the safety culture initiative. We plan to continue assessing the ongoing implementation of the process and ascertain the need for additional public meetings.

We thank you for the industry's involvement to date on the safety culture initiative and look forward to continuing this dialogue with our stakeholders during the 18-month implementation period.

Sincerely,

/RA/

J. E. Dyer, Director
Office of Nuclear Reactor Regulation

M. Fertel

-2-

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