



NUCLEAR ENERGY INSTITUTE

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May 27, 2008

Mr. Robert A. Gramm
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Comments on Proposed Changes to Inspection Procedure 95003 and Manual Chapter 0305

Project Number: 689

Dear Mr. Gramm:

On behalf of the nuclear energy industry, the Nuclear Energy Institute (NEI)¹ is submitting the enclosed comments on the Safety Culture and Palo Verde Lessons Learned Recommendations that were discussed during the April 17, 2008 public meeting of the Reactor Oversight Process Working Group.

Our efforts to provide substantive comments on the April 17 meeting materials were, in many cases, hampered by the absence of a clear identification of the problem being addressed. Many of the recommendations provide no link to an identified issue or concern. This made it difficult to assess the need for a change or to assess whether a proposed guidance change addresses the need.

In general, we are concerned with the manner by which recommendations and associated guidance changes are being developed. The Reactor Oversight Process was developed from, and is based on, a set of guiding principles against which changes and recommendations can be compared. The safety culture changes and recommendations discussed during the April 17 meeting do not appear to have any tie to a similar set of guiding principles for safety culture assessment.

¹ NEI is the organization responsible for establishing unified nuclear industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all utilities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel fabrication facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

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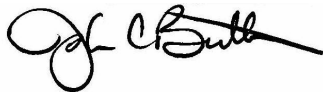
In order to promote a stable and scrutable safety culture process, we recommend the development and implementation of a process for evaluation of safety culture changes. As part of this process, results from the 18 month implementation period, recommendations and lessons learned would be assessed against a defined set of guiding principles.

We also believe that a re-assessment of the thresholds for Substantive Cross-Cutting Issues (SCCI) should be performed. Resultant changes should be implemented as part of the planned August 2008 revision package. Since implementation of the safety culture changes in July 2006, the percentage of findings that are assigned a cross-cutting aspect has increased by greater than 50%. This increase is due solely to changes in how guidance is being implemented. This increase, by itself, would call for an accordant increase in thresholds.

We will be submitting additional comments on or before June 27th to address proposed changes to MC 0305 and IP 71152 that were discussed during the May 14, 2008 meeting of the ROP Working Group.

If you have any questions regarding these comments, please contact Julie Keys at (202) 739-8128; jyk@nei.org or me.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Butler". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John C. Butler

Enclosure

c: Mr. James W. Andersen, NRC
NRC Document Control Desk