



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

April 6, 1990

OFFICE OF THE
SECRETARY

MEMORANDUM FOR: Commissioner Rogers
FROM: ^{U. Bato} Samuel J. Chilk
SUBJECT: COMKR-90-1 - PRINCIPLES OF GOOD REGULATION

All Commissioners have agreed with your proposal to revise the "Mission and Regulatory Philosophy" section of the Five Year Plan. The attached memorandum forwards the revision agreed upon by the Commission to the EDO for inclusion in the Five Year Plan.

Enclosure:
As stated

cc: Chairman Carr
Commissioner Roberts
Commissioner Curtiss
Commissioner Remick



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MEMORANDUM FOR: James M. Taylor, Executive Director
for Operations

FROM: *d. Zatter* Samuel J. Chilk, Secretary

SUBJECT: PRINCIPLES OF GOOD REGULATION

The Commission has agreed to revise the current Five Year Plan with the attached rewrite of the "Mission and Regulatory Philosophy" section which is on pages II-1 and II-2 of the Five Year Plan.

This rewrite should be incorporated in the draft plan which will be forwarded for Commission approval this Spring.

cc w/attach:
Chairman Carr
Commissioner Roberts
Commissioner Rogers
Commissioner Curtiss
Commissioner Remick
IG
GPA

PROPOSED REVISION TO:
MISSION AND REGULATORY PHILOSOPHY*

MISSION

The U.S. Congress has determined that the safe use of nuclear materials for peaceful purposes is a legitimate and important national goal. It has entrusted the NRC with the primary Federal responsibility for achieving that goal. NRC's mission, therefore, is to ensure adequate protection for the public health and safety, the common defense and security, and the environment, in the use of nuclear materials in the United States.

NRC's scope of responsibility includes regulation of commercial nuclear power plants; research, test and training reactors; fuel cycle facilities; medical, academic and industrial uses of nuclear materials; and the transport, storage and disposal of nuclear materials and wastes. NRC carries out its mission by setting standards and requirements licensees must meet to design, construct, and operate safe facilities, in the form of rules, license conditions, and regulatory guidance; inspecting facilities and taking enforcement action as necessary to ensure that such standards are followed; and conducting research to support, confirm, or refine judgments used in regulatory decisions.

The technologies involved in the use of nuclear energy are relatively new and complex. Regulatory decisions often require conservatism to account for technical uncertainty. Conservatism should be modified appropriately as increased understanding of physical phenomena and interactions is achieved. Further, essential functions must be maintained through appropriate combinations of high component and system reliability, redundancy, and diversity to provide multiple barriers to the release of radiation (defense in depth).

REGULATORY PRINCIPLES

The NRC and its licensees share a common responsibility to protect the public health and safety. Federal regulations and the NRC regulatory program are important elements in the protection of the public. However, the Commission recognizes that safe use of

*Replaces Section with same title on pages II-1 to II-2 of Five Year Plan.

nuclear materials is a primary responsibility of NRC licensees. Strong, vigilant management and a desire to improve performance are prerequisites for success, for both regulators and the regulated industry.

The NRC adheres to the following **Principles of Good Regulation** to encourage consistently high performance and address inadequate performance:

Good regulation identifies the conditions necessary to ensure safety and creates an environment which insists on compliance with established standards while allowing and encouraging licensees to take the lead in maintaining excellence and to exercise initiative in identifying and solving potential as well as actual problems. Good regulation encourages sound and effective practices, discourages unsound practices, and identifies questionable practices. It must, therefore, establish standards by which to judge practices, and the means to encourage the sound and discourage the unsound. To accomplish this, regulation must be:

INDEPENDENT. Nothing but the highest possible standards of ethical performance and professionalism should influence regulation. However, independence does not imply isolation. All available facts and opinions must be sought openly from licensees and other interested members of the public. The many and possibly conflicting public interests involved must be considered. Final decisions must be based on objective, unbiased assessments of all information, and must be documented with reasons explicitly stated.

OPEN. Nuclear regulation is the public's business, and it must be transacted publicly and candidly. The public must be informed about and have the opportunity to participate in the regulatory processes as required by law. Open channels of communication must be maintained with Congress, other government agencies, licensees, and the public, as well as with the international nuclear community.

EFFICIENT. The American taxpayer, the rate-paying consumer, and licensees are all entitled to the best possible management and administration of regulatory activities. The highest technical and managerial competence is required, and must be a constant agency goal. NRC must establish means to evaluate and continually upgrade its regulatory capabilities. Regulatory activities should be consistent with the degree of risk reduction they achieve. Where several effective alternatives are available, the option which minimizes the use of resources should be adopted. Regulatory decisions should be made without undue delay.

CLEAR. Regulations should be coherent, logical and practical. There should be a clear nexus between regulations and agency goals and objectives whether explicitly or implicitly stated. Agency positions should be readily understood and easily applied.

RELIABLE. Regulations should be based on the best available knowledge from research and operational experience. Systems interactions, technological uncertainties, and the diversity of licensees and regulatory activities must all be taken into account so that risks are maintained at an acceptably low level. Once established, regulation should be perceived to be reliable and not unjustifiably in a state of transition. Regulatory actions should always be fully consistent with written regulations and should be promptly, fairly and decisively administered so as to lend stability to the nuclear operational and planning processes.

The effective regulation of users of nuclear materials requires constant vigilance and faithful adherence to these basic principles.

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April 2, 1990