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The Honorable Kenneth M. Carr  
Chairman  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Chairman Carr:

SUBJECT: COHERENCE IN THE REGULATORY PROCESS

In our reports to you of November 24, 1989 (which also lists our earlier reports) and December 21, 1989, we have discussed a variety of aspects of the coherence problem -- the problem of assuring that all elements of the NRC pull in the same direction in the regulation of nuclear power, a direction provided by the Commission itself. These reports have generally dealt with symptoms of incoherence -- the most recent was about the internal use of SALP ratings. Here we would like to take a more global view of the coherence problem, leading in the end to a recommendation for a next step.

It is almost as if the NRC were created to be incoherent. There are five Commissioners and five statutory Offices. There are many Branches and five Regional Offices, with a kind of matrix management tying it all together. Regulatory power is spread throughout, resulting in a melange of technical positions, regulatory guides, generic letters, policy statements, undocumented pressures, enforcement actions, etc. The mechanisms for providing incentive to the various elements of the staff to test their actions in the light of Commission objectives are inadequate. Indeed those objectives are not always easy to determine, for reasons that need no elaboration here. This is not to say that anyone is deliberately misbehaving, only that too many are free to proceed in the light of their own best judgment.

We have long argued that the best way to test the effectiveness of the regulatory process is to measure the results in terms of the Commission's Safety Goals, and we do not depart from that position here, but a performance measure is not a coherence measure. The latter has to do with efficiency, clarity, and ultimately, acceptability of the process.

In our November 24 report on this subject we emphasized that the coherence problem can be divided into many categories -- it is not a neat subject. The Commission itself can and should make its policy statements and other issuances as unambiguous as possible (we know that is not easy; we often fail ourselves), so as to minimize opportunities for misinterpretation. Also, as mentioned in that report, many of the examples lie within the province of the EDO, and he should be aware of his responsibility to keep the various offices working toward the same ends. Perhaps his own staff needs expansion. But the real tests of coherence lie in the NRC's interactions with the outside world, and we doubt that only internal modifications can solve these problems, although we believe improvements could be made. We are not prepared to

recommend reorganization of the NRC, though that is one of the options available to you. Certainly, incentives for lateral communication would be helpful.