



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

COMM CORP

February 26, 1979

OFFICE OF THE  
CHAIRMAN

Mr. John D. Peters  
3158 Cantrell Lane  
Fairfax, Virginia 22030

Dear John:

Thanks for your letter of December 22, 1978 noting your concerns about the content of a November 10, 1978 Washington Star article entitled "VEPCO Plant Gets a 'C' on Safety Report Card."

The information in the article was based on studies performed by the Office of Inspection and Enforcement (IE) of various techniques for evaluating licensee regulatory performance. I have enclosed the documents which describe the results of these studies.

A systematic approach for licensee regulatory performance evaluation has not been adopted. The Acting Director of IE explains in one of the enclosed documents that no one technique so far investigated is individually satisfactory. He has requested Commission permission to continue the effort to find an acceptable technique for evaluating licensee regulatory performance. The Commission supports the concept of initiating another trial program but has requested that a detailed plan be submitted for approval prior to implementation of such a program. It is important to understand that the evaluation is made to distinguish between levels of acceptable performance. Unacceptable performance is dealt with through enforcement actions taken promptly whenever the need is identified.

It would be useful for NRC to understand why performance among NRC licensees differs and how inspection practices can be used more effectively and efficiently. This is the primary reason IE wishes to continue with the licensee regulatory performance evaluation trial program. We acknowledge the shortcomings of the initial study. We also recognize the importance of developing sound methodology for evaluation of licensee performance and appreciate your comments in this regard.

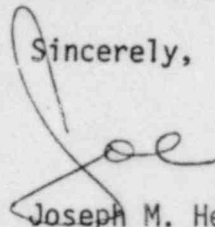
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Mr. John D. Peters

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I hope that these remarks and the background material help to place the referenced news article in proper perspective. If you have further comments concerning this matter, please do not hesitate to contact me.

Sincerely,



Joseph M. Hendrie  
Chairman

Enclosures:

1. Draft transmittal letter for  
SECY-78-554 to licensees
2. Commission Paper SECY-78-554 - 781107008
3. NUREG/CR-0110-Licensee  
Performance Evaluation - 7812270420
4. Draft Study - Individual Site  
Ratings from IE Employee  
Survey, dtd April 1978
5. Memo E. M. Howard to Ernst - 7901160330  
Volgenau dtd 9/26/77
6. Draft Report - An Evaluation  
of the Nuclear Safety-Related  
Management Performance of NRC  
Operating Reactor Licensees  
During 1976, dtd February 1977
7. Draft transmittal letter to licensees  
for memo E. M. Howard to E. Volgenau  
dtd 10/26/77