



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

March 25, 1980

OFFICE OF THE
CHAIRMAN

The Honorable James T. McIntyre, Jr., Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. McIntyre:

In the report accompanying the NRC Authorization Bill for FY 1979, the House Committee on Interstate and Foreign Commerce requested that NRC submit in January, 1980, an evaluation of the progress and problems associated with the Resident Inspector Program. We have made this evaluation and the report of the results is enclosed. However, our evaluation is limited by the amount of experience we have had with the resident inspection program.

In summary we now have 53 reactor sites at which resident inspectors have been located, 13 at construction sites and 40 at operating sites (including sites where a reactor is being prepared for initial startup). We have two resident inspectors at fuel facilities. By the end of 1980 we expect to station resident inspectors at all operating reactor sites, 20 reactor construction sites, and two fuel facilities, for a total of 83 sites.

In the Resident Inspector Program we have encountered some difficulties. The pool of experienced reactor inspectors in regional offices has been reduced. Also, there is a higher than desirable ratio of inspectors to supervisors since we have limited the number of new supervisory positions in order to put most of the experienced inspectors out on the sites. However, these difficulties should be resolved as the newly recruited inspectors become trained and attain some experience with the Program.

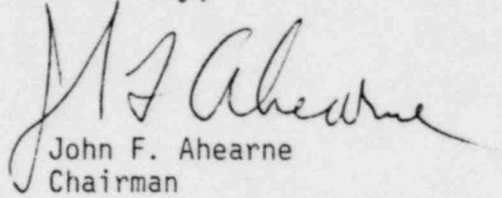
Relocation of inspectors from the regional offices to reactor sites has created some severe personal financial problems associated with sale and purchase of homes. These have arisen because of delays in the sale of homes, higher interest rates on new homes, and the fact that a substantial portion of reimbursed costs are subject to the federal income tax. The prospect of experiencing similar difficulties after a three-year tour at the site only exacerbates the situation. NRC is determining what can be done to alleviate the financial problems associated with frequent relocations. The solution to some of these problems may require legislation.

In its FY 1979 report, the Committee on Interstate and Foreign Commerce expressed concern about the possible loss of objectivity which resident inspectors might experience and the possibility that individual resident

8004180185

inspectors might not possess the breadth of technical knowledge required to properly oversee all aspects of the construction and operation of nuclear power plants. We share these concerns. In the enclosed report we have described our efforts to deal with each of the Committee's concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "J F Ahearne".

John F. Ahearne
Chairman