

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

MAR 19 1975

Mr. Raymond Kudukis
Department of Public Utilities
City of Cleveland
1201 Lakeside Avenue
Cleveland, Ohio 44114

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Dear Mr. Kudukis:

Thank you for your letter dated February 27, 1975, in which you recommended that the resident inspector concept be used at the Davis-Besse plant. Last July the AEC initiated a trial program to facilitate an evaluation of a resident inspector approach. The final benefit-cost analysis of the concept is targeted for completion within two years of trial program inception. The NRC has scheduled interim evaluations to permit early assessment and program redefinition should that be indicated. We believe that a precipitous change to a new and untried inspection technique, without full evaluation, could compromise an already effective inspection program and preempt other equally attractive alternatives, such as establishing additional regional offices located closer to the facility sites.

The issue prompting your request was that of the quality assurance aspect of the painting at the Davis-Besse plant. Our statement which summarizes this specific issue is attached as Enclosure 1.

The current NRC inspection program is based on the fundamental premise that the licensee is responsible for the proper construction and safe operation of the licensed facility. Under the resident inspection concept, this fundamental premise would be retained. We do not consider our present inspection program to be a parallel quality assurance effort nor a substitute for good licensee management. There would be no change in these views under a resident inspection program. The NRC resident inspector would continue to determine through selective sampling of records and observation of activities whether the licensee has conceived and implemented quality assurance and management systems as required by NRC regulations and his license. The increased physical presence of the resident inspector would facilitate the actual observation of licensee activities (including inspection); but duplication of all inspection activities and decision processes of the licensee would not be consistent with our fundamental regulatory premise, nor would it appear to be practical.



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Mr. Raymond Kudukis

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The resident inspection program is primarily a method for improving the effectiveness of the existing inspection program methodology. It is not presently anticipated that resident inspectors would be assigned to all facilities, nor has it been envisioned that all inspectors would be utilized as resident inspectors. It is anticipated that resident inspectors would be stationed in locations from which they could inspect several facilities on essentially a daily basis. Only in unusual cases would inspectors be assigned to a single facility or be quartered within the facility being inspected.

During AEC consideration of the resident inspector concept, potential benefits were identified; however, potential disadvantages were also apparent. The most significant is the possible loss of objectivity and independence of the inspector due to constant association with the staff of the facility to which he is assigned. Even though potential benefits, such as increased site inspection time, are significant, it was determined that a trial program should be undertaken to assure that the benefits could be clearly demonstrated to outweigh the disadvantages.

The trial resident inspection program has been in effect for approximately eight months and the initial benefit-cost analysis of the trial program is scheduled for late summer of 1975. Contingent upon the results of this analysis, broader application of the concept of resident inspection or a change in scope of the trial program may be appropriate. In view of the foregoing we do not anticipate expansion of our trial program for resident inspection until we are assured that these changes will be in the best interests of the public.

Sincerely yours,

James G. Keppler
Regional Director

Enclosure:
Statement of Quality
Assurance Investigation

bcc: D. F. Knuth, IE:HQ
B. H. Grier, IE:HQ
J. G. Davis, IE:HQ
F. Ingram, IE:HQ
IE Chief, FS&EB
IE:HQ (4)
Licensing (4)
Central Files
IE Files
PDR
Local PDR
NSIC
TIC