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SSINS NO. _____

TERA _____

EXT PT _____

AUG 03 1981

MEMORANDUM FOR: HQ Division Directors
Regional Directors

FROM: Norman C. Moseley, Director
Division of Program Development
and Appraisal, IE

SUBJECT: IE POLICY REVIEW GROUP

I received comments from you on my July 22, 1981 draft mission statement (charter). The comments were mostly related to the membership of the review group rather than the charter. I am now requesting more specific comments toward what the group is to do to assure that your thoughts are properly reflected. The job Vic Stello wants from the review group is to identify basic policy decisions which affect resource utilization. The aim is to enable Stello, with specific advice from Regional Directors and IE Headquarters Directors, to make decisions which will optimize IE's contribution to meeting the NRC mission.

Attached as enclosure (1) is a list of activities which impact the resources which are applied to inspection. The impacts include the relative emphasis given to each of the direct inspection or investigation activities, the non-inspection activities which inspectors perform and the activities performed by those in IE who do not inspect. An additional important impact is reactive inspection demands. Each of these impacts must be addressed in a systematic way on a continuing basis. (The review group now being formed will, however, not have continuing responsibility.)

Using the activities list, I have prepared a list of policy statements, attached as enclosure (2), which occur to me to deserve further consideration at this time. It may appear that most, if not all, are already IE policy. In my view, however, if they are policy, we have not fully implemented them. If adopted, these or other policy statements which are developed should result in identification of more detailed policy or strategy decisions. I have also developed a partial list of more detailed policy or strategy decisions, attached as enclosure (3) which relate to some of the policy statements I prepared. I envision the review group beginning work using the three lists, as modified by input from each of you. The review group could also add to the lists. The result of the review group's activities would be an issue paper, not recommendations.

You are requested to add to and comment on each of the attached lists. You are also requested to propose a specific statement of the charter for the work group, if you believe it should be different from that described in the two page draft I sent out on July 22, 1981 (the Bases and Assumptions were for information and were never intended to be a part of the charter). Please provide all comments by close of business August 7, 1981.

Norman C. Moseley, Director
Division of Program Development
and Appraisal, IE

Enclosures:

1. List of Activities Which Impact the IE
Resources Applied to Inspection
2. Candidate Policy Statements
3. Candidate Detailed Policy or Strategy
Decisions

cc: V. Stello (w/encl)
R. DeYoung (w/encl)

Distr:
IE files
IE Reading files
NCMoseley
JTaylor
PDA reading

PDA: IE
JTaylor

PDA: IE
NMoseley, mjb

LIST OF ACTIVITIES WHICH IMPACT THE IE
RESOURCES APPLIED TO INSPECTION

Direct Inspection Activities (Routine and Reactive)

In this grouping each activity is impacted by the amount of resources devoted to the other activities.

1. Resident Inspection
2. Region-Based Inspection
3. Investigation
4. Materials Inspection
5. Criticality Inspection
6. MC&A Inspection
7. Security Inspection
8. Emergency Planning Inspection
9. Environmental Inspection
10. Performance Appraisal Inspection
11. Vendor Inspection

Other Activities Directly Affecting Inspection Time (Routine and Reactive)

In this grouping the impact is the amount of inspector effort used on non-inspection activities.

1. Licensing Activities
 - a. Operating Plants
 - b. NIO's
 - c. Emergency Planning
2. Reports
3. SALP
4. Public Relations
 - a. News Media
 - b. State and Local Officials
 - c. Congressional
5. Tour Guide/Errands
6. Administrative Tasks

Other Activities Indirectly Affecting Inspection Resources

This grouping contains IE resources which are not used for direct inspection.

1. Supervision
2. Regional Administration
3. Headquarters Divisions
4. Headquarters Administration
5. Headquarters Enforcement

CANDIDATE POLICY STATEMENTS

1. NRC (IE) will seek out opportunities to recognize (and commensurately reduce resource commitments) inspection/audit/evaluation of licensee nuclear safety/security/safeguards activities which are adequately performed by others.
2. The basis for IE inspection is diagnostic rather than determination of compliance. In this context diagnosis means a determination of the cause of failure of licensees to attain adequate performance in nuclear safety, construction, or safeguards. Simple identification of non-compliance through inspection is not enough. Nevertheless every non-compliance is not indicative of inadequate licensee control. The inspection program must discriminate between isolated events and symptoms. Where symptoms exist; vigorous, timely, thorough and complete action must be required of licensees.
3. Resource application to the various IE inspection programs and to various subparts of programs will be based on the best available determination of their relative importance in accomplishing the overall NRC mission. PRA, Cost Benefit Analysis, and other techniques will be used to supplement technical judgement in assessing relative importance.
4. On a systematic and continuing basis IE will integrate inspection strategy and techniques to complement and supplement NRC licensing policies and practices.
5. Any work other than direct inspection which is assigned, directly or indirectly to an IE inspector must be expected to yield an equal or greater benefit to the NRC mission as the equivalent direct inspection time would be expected to yield.

CANDIDATE DETAILED POLICY OR STRATEGY DECISIONS

1. For each of the activities in the Direct Inspection activities portion of the list of activities which impact IE resources, a decision may be made to devote _____% of the total IE inspection resources to this activity. This decision should be made on the basis of relative importance to the total mission. (Note that in the limited time of its charter the Review Group would not be expected to be able to develop the basis for a sound decision on relative importance. It would, however, make arbitrary assumptions like, reduce the effort in _____ by _____%, and develop information on what the result would be in terms of gains and losses.)
2. Vendor Inspection Program
 - a. Discontinue the vendor program.
 - b. Make the vendor program totally reactive.
 - c. Modify the vendor program to focus only on AE's and NSS's with the principal attention going to design review.
3. Safeguards
 - a. At all power and research reactors discontinue all MC&A other than piece count inspection of fuel elements.
4. SALP
 - a. Discontinue the HQ SALP review. Make the national SALP report a collection of the results of the regional SALP Boards.
5. PAT
 - a. Discontinue PAT inspections
 - b. When confidence is gained in INPO inspections, reduce PAT to an overview of the INPO program.