



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

PDR

July 28, 1982

CHAIRMAN

The Honorable Morris K. Udall, Chairman
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

We understand that the House/Senate Conferees on the Nuclear Regulatory Commission's (NRC) FY 1982 and 1983 authorization bill have rejected the Senate provision designed to alleviate some of the most significant financial hardships associated with relocating the Commission's resident inspectors to individual nuclear facilities. We are writing to advise you of certain new information regarding the need for this legislation and to respectfully request that the Conferees reconsider this decision based upon this new information.

On December 10, 1981, the Commission wrote Congress requesting support for legislation to deal with the particular problems of resident inspectors. In that letter the Commission explained that in order to ensure the impartiality of the resident inspectors, the Commission permits an inspector to be assigned to one particular site for three years, with possible extension to a maximum of five years. After this term expires, the inspector must relocate. During development of the NRC resident inspector program, and in response to frequent expressions of congressional concern, great emphasis was placed on developing mechanisms for preventing inspectors from identifying too closely with the companies they were overseeing. Our letter went on to say:

As a result of these requirements, as well as of NRC's difficulty in competing with private industry to provide salary incentives and other benefits, NRC anticipates severe difficulty in recruiting and retaining the highly trained and competent individuals needed to make the resident inspector program effective. The problem is expected to become particularly pressing as the agency commences large-scale rotation of resident inspectors. One major source of concern is the financial cost involved in relocating, especially in light of very tight housing and financial markets. While some of these costs are reimbursable under current government statutes and regulations, a significant share must still be borne by the relocating inspector. A second problem area involves the costs of commuting between the resident inspector's residence and the nuclear reactor site. The resident inspector's commuting costs present a unique problem relative to those of other Federal employees because of several factors: (1) the remoteness of many nuclear sites; (2) the frequent unavailability of public transportation; and (3) the restrictions placed on the inspector, which prohibit carpooling with licensee employees or using licensee-subsidized transportation.

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It is these unique restrictions placed upon the NRC's resident inspectors and the problems that arise from the restrictions that prompted the Commission to request such legislation. Although other Federal agencies carry out on-site inspection programs, we are not aware of any other situation in which a similar combination of restrictions and circumstances exist to create the kinds of severe financial problems facing our resident inspectors. Beginning in FY 1983, our ability to maintain the resident inspector program could be severely hampered if some legislative authority along the lines of the Senate provision is not enacted in the pending authorization. If legislation is not enacted to provide at least some short-term relief, the Commission may be forced to re-evaluate its present policy on relocating resident inspectors. This could seriously hamper the effectiveness and objectivity of the resident inspector program.

In rejecting the Senate provision, we understand the Conferees agreed to direct the NRC to study the issue and to submit a report to Congress within 90 days of enactment. We wish to advise you that the Commission recently received the enclosed report from our independent Office of Inspector and Auditor (OIA), entitled "Follow-up Audit of OIA's December 1979 Report entitled 'Review of Continuing Implementation of NRC's Resident Inspection Program', July 1982." In its December 1979 report, the OIA had recommended that NRC management take more aggressive steps to resolve administrative problems encountered by the resident inspectors. Two of these administrative problems were relocation costs and commuting costs.

In this follow-up audit, OIA notes that the Commission submitted proposed legislation to alleviate these problems. The report (page 10) also goes on to state: "Almost everyone we spoke with considered moving expenses the biggest obstacle facing the continued success of the resident inspection program. Inspectors stated that moving expenses were a definite consideration in career plans and were restricting movement to another site or interest in a regional management position The consensus was that program stability has existed because no inspectors have faced a forced rotation between reactor sites or back to the regional office. If and when this situation occurs, regional managers fear loss of resident inspectors to the industry due to the expense of relocating."

In light of this most recent study, which further confirms our position on the need for this important legislation, and the Commission's firm belief that the resident inspector program is a key element of our regulatory program, we respectfully request that the Conferees reconsider their position on this matter and, in particular, consider favorably the Senate provision, at least in the form of a two-year pilot program, which could serve as the basis for an NRC study and report to Congress.

Sincerely,



Nunzio J. Palladino

Enclosure:
As stated

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cc: The Honorable Alan Simpson, Vice Chairman
Conference Committee on NRC Authorization

The Honorable Gary Hart
The Honorable Pete Domenici
The Honorable George Mitchell
The Honorable Jennings Randolph
The Honorable Robert Stafford
The Honorable Steven Symms
The Honorable Jonathan Bingham
The Honorable John Seiberling
The Honorable Edward Markey
The Honorable Manuel Lujan
The Honorable Dan Marriot
The Honorable John Dingell
The Honorable Richard Ottinger
The Honorable Toby Moffett
The Honorable James Broyhill
The Honorable Carlos Moorhead