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September 21, 1982

Mr. Nunzio J. Palladino
Chairman
Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Chairman:

I am in receipt of an August 20th internal memo from the Executive Director for Operations, William J. Dircks to the Commissioners on the subject of Assurance of Quality. I wish to express my general high regard for the efforts being taken by the NRC in response to your expressed concerns for the industry quality assurance problems at the ANS Conference of last November. I am particularly impressed with the significant organizational improvements alluded to by Mr. Dircks with respect to the NRC "Quality Assurance Planning and Evaluation" as outlined in detail in Enclosure 1, Section G of his memorandum.

Attached are some thoughts of mine concerning specific implementation of a quality assurance organization for the NRC. This is based on my experience as a quality assurance director for a utility, a nuclear steam supplier, and an architect engineer, and seven years of management consulting in the nuclear QA areas in industry. I was directly involved in the quality assurance management efforts of Marble Hill and South Texas Project.

The thoughts set forth in the attached organization with respect to specific functional responsibilities of the organizational entities has been discussed with many leaders in the industry both within the QA discipline as well as executive managers. I have received good support of the concepts. It is my belief that such an organization within the NRC could best respond to the industry QA problems.

You are to be congratulated on the significant accomplishments you have achieved to date. Keep up the good work.

Yours truly,

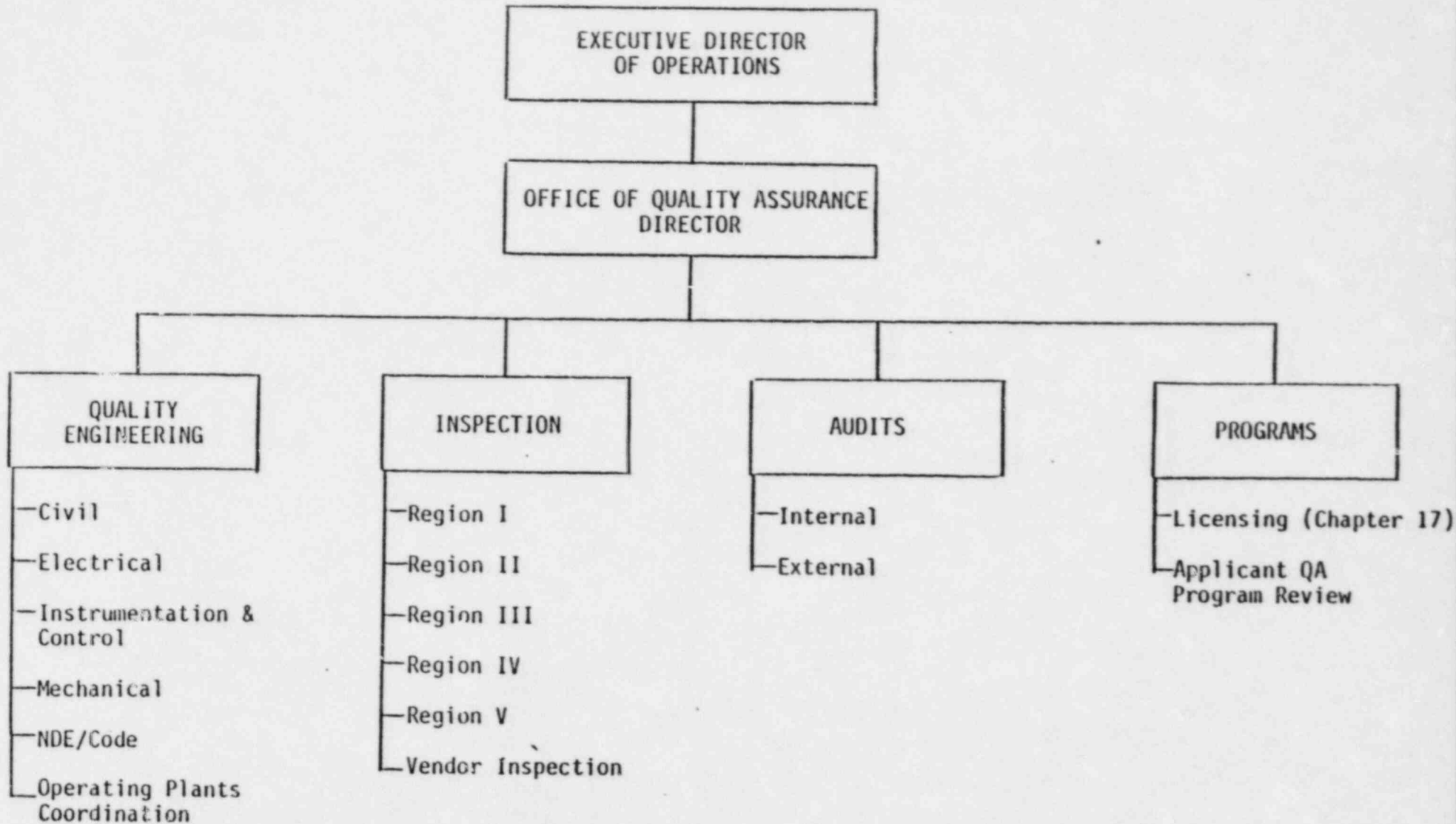
A handwritten signature in dark ink, appearing to read 'John P. Jackson', written over a light-colored background.

John P. Jackson
Group Vice President

JPJ:mkh
Enclosure

cc: William J. Dircks

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PROPOSED NRC REORGANIZATION FOR QUALITY ASSURANCE

FUNCTIONAL RESPONSIBILITIES

QUALITY ENGINEERING

- Responsible for interpreting quality assurance and quality control requirements related to their respective disciplines throughout industry on plants under construction or operating, so as to achieve consistency.
- Establish rapport and direct interface with lead quality engineers of the applicant at each nuclear plant.
- Provides interface internal to the NRC with engineering, licensing, safeguards, and other organizations involved in the licensing, construction or operation of nuclear facilities.
- Determine the inspection surveillance/audit checklists, level of surveillance, and necessary interpretive judgments for all inspectors in each of the Regions.
- Provide uniformity of application of quality assurance/quality control procedures throughout the industry. (Does not mean standardizing industry checklists and methods.)
- To the maximum extent possible, provide final resolution on disputes between Regional inspectors and applicants on technical matters related to their discipline.
- Perform periodic assistance and surveillance of all plants to review implementation of the QA/QC programs related to the discipline.
- Resolve all issues relative to ambiguous engineering requirements with the appropriate NRC engineering organization.

- Participate with Regional directors in the determination of special increased surveillance or auditing required at utility or supplier plants related to their discipline.
- Aid in the resolution of issues involved in the technical discipline emanating out of internal or external NRC audits.
- Provide coordination on quality engineering responsibilities uniquely related to operating plants.

INSPECTION

- Perform inspections and surveillance during the construction or operations phase of nuclear facilities in accordance with the requirements established by quality engineering.

- Perform vendor surveillances/audits or participate in special corrective action programs as determined necessary by quality engineering based on generic industry problems.

AUDITS

- Perform in-depth internal audits of all facets of the NRC's quality assurance program, including those functions within the NRC which perform QA related activities.
- Perform periodic QA Management audits of all applicant's quality assurance programs.
- Participate in audits of major suppliers as vendor problem needs dictate and as coordinated with Quality Engineering.

PROGRAMS

- Develop and document the internal NRC quality assurance program for approval by the Director of the Office of Quality Assurance and the Executive Director of Operations.
- Review and approval all QA programs (Chapter 17) as submitted by applicants.
- Analyzing deficiencies and trends for generic corrective action requirements.
- Issue NRC notices to applicants as trends indicate generic problems.