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DOCKETED  
NRC

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Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

DOCKET NUMBER  
PROPOSED RULE  
(32)  
PR-Misc Notice  
(Policy Statement on Regionalization)  
(48 FR 12619)

Attention: Docketing and Services Branch

Subject: NRC Policy Statement on Regionalization

Dear Sir:

The AIF Policy Committee on Nuclear Regulation has reviewed the proposed NRC Policy Statement on Regionalization published in the March 25, 1983 Federal Register. We believe that the proposed regionalization policy has the potential to improve the quality of nuclear regulation, but only if definitive policies and proper management controls are developed in advance of its broad implementation.

Most of the licensing functions listed in the proposed policy statement appear to be appropriate to be transferred to the regional offices. We have special concerns regarding the question of transferring "the licensing authority for operating power reactors."

Much of our concern relating to transferring operating licensing authority revolves around the role and identity of the project manager. The single point around which the industry has the strongest consensus is the need to increase the project manager's authority and influence in relationship to the NRC technical staff. Thus, an underlying principle for any reorganization of functions, whether at headquarters or in the regions, is that high support and visibility must be given to the role of the project manager.

In conjunction with needed measures to strengthen that role, we believe that mechanisms should be developed which are aimed at assuring that any project manager assigned to a region can function effectively as the principal interaction point between the licensee and NRC (both headquarters and the region). Such mechanisms should include the ability for the project manager to

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have prompt access to NRC senior management to resolve disputes, particularly as to whether an issue should be handled at headquarters or in the regional office. Other mechanisms could include a clear statement of policy and guidelines regarding the authority of the project manager and which directs the technical branches to cooperate fully with him in resolving generic and plant-specific issues.

Of related importance to any transfer to the regions, the distinction between the regulatory and enforcement functions in the region must be made clear. In this context, the respective roles of the project manager, the regional director, and the inspection and enforcement personnel must be clearly defined.

Additionally, the proposed NRC policy statement specifies management actions needed to maintain effective coordination, feedback and information exchange among regions and headquarters. It specifically notes development of a number of such mechanisms including: Commission policy guidance; procedures and implementation of instructions to the regions; operating plans for each region; and continuing oversight of the regions in implementing national programs. We believe that the timing and the manner in which these mechanisms are developed and implemented are crucial to the success of the proposed regionalization program.

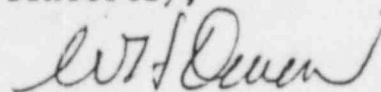
Given the importance of these mechanisms, they should be carefully mapped out and tested on a trial basis. Toward this end, our proposal for a pilot regionalization program for transferring operating reactor licensing authority is enclosed. In summary, the essence of our pilot program is that project managers could be assigned to work with one or two volunteer utilities in each region. The experience gained in this process can be used to evaluate the safety and licensing effectiveness of the pilot program. This experience can then be compared against the experience gained at headquarters toward strengthening the role of project managers there. It will also be relevant in determining the manner in which aspects of operating reactor license authority can be further allocated between headquarters and the regions. Finally, it would help establish the working relationships between the regional office personnel and the headquarters personnel, which, under close scrutiny, could be refined and implemented more broadly.

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During this trial period, we suggest that licensing authority for those amendments which currently require considerable involvement by the Bethesda technical branches, such as those related to generic issues, remain generally at headquarters. Amendments of an administrative nature such as those involving implementation of formalized programs, however, could be processed in the region as soon as the proper mechanisms, such as legal support, are in place to make the transfers work.

The AIF Policy Committee on Nuclear Regulation has put together a Subcommittee on Regionalization Policy which is ready to work with the NRC on the development of the above proposal and to follow up on resolving the other comments we mentioned in this statement.

Sincerely,



Warren H. Owen  
Chairman, AIF Policy Committee  
on Nuclear Regulation

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Enclosure

Pilot Regionalization Program for the Transfer of  
Licensing Authority for Operating Power Reactors

(2 Years in Duration)

1. The Pilot Program should be undertaken as a demonstration project. NRC and the utility industry should approach the Program cautiously and with an open mind so that maximum benefits to safety and efficiency can be realized.
2. The Pilot Program should be limited to one or two utilities per region and utilities may volunteer to participate in it. The Program should last for two years.
3. The Pilot Program should define the functions which will be transferred to the regions (e.g., routine technical specification changes) and will not be transferred to the regions (e.g., generic issues).
4. The Pilot Program should prescribe the preliminary internal appeals process for resolving disputes between participating licensees and the Staff.
5. LPMs for licensees participating in the Pilot Program should be assigned to the region and spend a significant portion of their time in the regions.
6. Informal, quarterly meetings between the EDO and his Staff and participating licensees should be held during the Pilot Program to assess, on an on-going basis, the safety and licensing effectiveness of the Program.
7. The LPM at headquarters for those licensees not participating in the Pilot Program should be upgraded and made comparable in terms of responsibility and functions to those LPMs assigned to the Pilot Program. This will facilitate a comparison of LPM performance in the regions and headquarters.
8. Following completion of the Pilot Program, NRC and industry (including licensees participating in the Program) should independently and then jointly evaluate the success of the Program. This evaluation should encompass a comparison of the effectiveness of LPMs participating in the Program with upgraded LPMs continuing to function from headquarters. It should also consider the extent to which generic issues were resolved in a timely manner and the efficiency with which routine licensing matters were resolved. After an objective evaluation of regionalized vs. centralized licensing, a decision should be made on the optimum approach for the future.