



OFFICE OF THE SECRETARY

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

RELEASED TO THE PDR 1/25/95 [initials]

December 28, 1994

MEMORANDUM TO: James M. Taylor Executive Director for Operations
FROM: John C. Hoyle, Acting Secretary
SUBJECT: SECY-94-297 - REVIEW OF OIG AUDIT REPORT ON LIMITING COMMERCIAL GRADE DEDICATION INSPECTION TO A PERFORMANCE-BASED APPROACH

This is to advise you that the Commission has not objected to the proposed letters to Congress informing them of the changes in the procurement inspections of nuclear power plant licensees. The letters should include the additional sentence noted in the attachment.

Attachment: As stated

cc: The Chairman Commissioner Rogers Commissioner de Planque OGC OCA OIG Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)

SECY NOTE: THIS SRM AND SECY-94-297 WILL BE MADE PUBLICLY AVAILABLE 10 WORKING DAYS FROM THE DATE OF THIS SRM.

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[Handwritten signature]

The Honorable Philip R. Sharp, Chairman  
Subcommittee on Energy and Power  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

In 1991, the NRC advised Congress that it would continue to perform programmatic inspections of commercial grade dedication programs. Based on the findings of numerous procurement assessments, pilot inspections, and interactions with industry groups between 1991 and 1993, it was concluded that the nuclear industry made significant progress in improving its commercial grade dedication programs and that problems that existed were ones of implementation. In addition, the safety benefits derived from conducting the Programmatic Team inspections would not be commensurate with the resources spent by the staff and the industry. The staff determined that it was appropriate to terminate programmatic inspections of commercial grade procurement except when indications of potential program inadequacies become evident. In 1993, the staff also revised its inspection procedure in this area to focus on equipment performance rather than programmatic issues, adopted a reactive inspection approach, and informed the industry of this change in inspection philosophy. Programmatic inspections of licensees will be performed if the results of the reactive inspection program indicate a need to do so.

This change in inspection approach to licensee commercial grade dedication programs does not affect the staff's approach to inspection of vendors to the nuclear industry. The staff has, and will continue to perform programmatic inspections of vendors' Appendix B manufacturing and commercial grade dedication programs.

This letter is to inform Congress of this policy change.

Sincerely,

Dennis K. Rathbun, Director  
Office of Congressional Affairs

cc: Representative Michael Bilirakis