



NUCLEAR MANAGEMENT AND RESOURCES COUNCIL

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Byron Lee, Jr.
President & Chief
Executive Officer

August 16, 1991

The Honorable Ivan Selin
Chairman
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Chairman Selin:

The purpose of this letter is to inform you of the industry's reaction and response to the NRC's recent adoption of a final maintenance rule. Since the early 1980's, the industry has focused significant effort on improving maintenance programs and practices. The progress the industry has made in improving maintenance has been the subject of continuing discussion between the NRC and the industry over the last several years. There has been agreement between the industry and the NRC that maintenance programs have improved dramatically and that no fundamental generic safety issues exist with respect to maintenance. Thus, we were surprised when the Commission issued a final maintenance rule. We were also disappointed that there was no opportunity for industry and public consideration and comment regarding the nature, scope, interpretation and ramifications of that rule, which embodied a completely new concept of performance-based regulation.

We have previously communicated to the Commission in a letter to Commissioner Curtiss dated May 21, 1991, that we think there is merit in developing a performance-based regulatory concept. In fact, in discussions and correspondence on the NRC's Regulatory Impact Survey, we encouraged the NRC to pursue just that kind of innovative regulation, regulation that is built around defined performance goals and provides licensees with the flexibility to determine the appropriate manner in which to reach those goals. Where additional regulation is necessary, this appears to be a logical way to move away from the prescriptive, paper-oriented type of regulation which has developed in this country over the past two decades. This would also be consistent with the Kemeny Commission report on the accident at Three Mile Island that concluded regulations by themselves cannot assure safety and that voluminous and complex regulations can serve as a negative factor in nuclear safety. The industry, through NUMARC, has been working with the NRC to develop the performance-based regulation concept through a pilot program. Many of the principles embodied in the final maintenance rule are supported by the industry, and many in the industry are using elements of that concept in their own maturing programs. We believe, however, that a pilot program would have enabled both the industry and the NRC to identify the many unknowns associated with the concept of performance-based regulation. We had focused on using the emergency diesel generator reliability issue as a pilot program to learn those lessons in a discrete context as opposed to applying it without testing to an area as broad as maintenance.

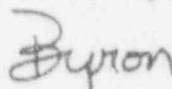
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The industry's major concerns regarding the maintenance rule are not with the concept of performance-based regulation, but rather with its application to maintenance and how such a broad concept will be enforced in the field. We have repeatedly stated our belief that sound maintenance is vital to safe, reliable operation of our plants, our commitment to make improvements in our programs, and our conviction that existing regulations were fully adequate. Nevertheless, the industry believes that it is in our long-term interest to proceed aggressively to turn the concept into a workable reality and to develop guidance, as envisioned in the maintenance rule, that draws upon the industry's broad experience and expertise. Our goal will be to develop a method of implementation that will satisfy the industry's objectives and provide an appropriate regulatory basis for the NRC in the maintenance area.

The industry's generic efforts will be focused through and coordinated by NUMARC. A NUMARC working group is being formed to provide an appropriate senior industry management focus in the development of this approach. Mr. Corbin A. McNeill, President and Chief Operating Officer of Philadelphia Electric Company, will chair the Maintenance Working Group. We have already undertaken steps to establish a working relationship with senior NRC staff to coordinate our activities as we move forward to satisfy our respective responsibilities and to resolve any issues that are yet undefined but are sure to arise. To ensure that our efforts are correctly focused, we believe it will be important for the Commission to take an active role as we work with the NRC staff to develop an acceptable approach to implement the maintenance rule to ensure that there is a common understanding among the Commission, the NRC staff, and the industry so that resolution can be achieved within the established time frame. Further, after we all have a better understanding of how to implement this rule and its ramifications, we would expect to ask for the Commission to carefully consider whatever recommendations that we conclude would be necessary for successful implementation of the rule.

We would appreciate your support and that of the other Commissioners in this effort.

Sincerely,



Byron Lee, Jr.

BLjr/RWB:bjb

cc: Commissioner Kenneth C. Rogers
Commissioner James R. Curtiss
Commissioner Forrest J. Remick
Mr. James M. Taylor
Dr. Thomas E. Murley
Dr. Eric S. Beckjord