



NUCLEAR ENERGY INSTITUTE

Joe F. Colvin
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

May 20, 1997

The Honorable Shirley Ann Jackson
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Chairman Jackson:

The industry and the NRC are both striving to make our activities more effective and efficient in today's changing environment. We are both seeking an improved regulatory framework that focuses resources on the activities that are of greater safety significance and re-examines the level of activity necessary for activities that have lower safety significance.

The industry is proposing a risk-informed, performance-based pilot project aimed at identifying potential improvements to the regulatory framework for assuring the safety of U.S. nuclear power plants. The proposal involves a whole-plant application of risk-informed, performance-based regulation. The significant steps are:

- compare actual plant performance to the quantitative health objectives described in the Safety Goal Policy,
- rank order contributors to risk and compare ranking to levels of resource allocation to identify any risk/resource mismatches,
- develop performance monitoring/feedback mechanisms to focus resources on results rather than process, and
- identify needed changes to the regulatory process to incorporate lessons learned.

Our proposed pilot program will consider the integrated effects of activities on overall plant safety, not just limited aspects as in earlier pilot efforts. It will best assure that those activities of most importance to safety receive the appropriate licensee and regulator attention.

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PDR COMMS NRCC
CORRESPONDENCE PDR

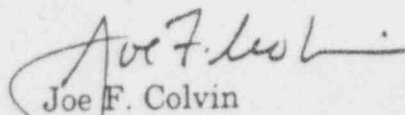
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We believe it is most appropriate that the Commission be involved in establishing the mechanisms for conducting the pilot program. Achieving regulatory improvements are likely to require changes to current regulations and oversight processes, which will require policy level action by the NRC. Failure to realize benefits from earlier risk application efforts is influencing many utilities to reduce risk analysis activities and resources. We believe such reductions are not in the best interest of the industry. Clear indication of the Commission's interest in the effective use of risk insights could help reverse this trend.

We request that a senior NRC manager be assigned as an industry point of contact for discussions concerning the level of NRC resources necessary to support the project and to discuss ways to implement the improvements we believe the pilot program will identify.

Sincerely,



Joe F. Colvin

c: The Honorable Kenneth R. Rogers
The Honorable Greta J. Dicus
The Honorable Nils J. Diaz
The Honorable Edward McGaffigan, Jr.
Mr. Leonard J. Callan