

DSI-12

(39)

From: James Creed
To: WND1.WNP2.JCH
Date: 12/6/96 7:40am
Subject: Strategic Assessment

Attached are comments relating to some of the issues in the assessment. I hope they are of assistance. Perhaps the unstated but most relevant issue not yet addressed is HOW to implement the new direction. We look forward to participation in that process.

Region and Resident based eyes examining licensee performance is probably the most effective means of "ensuring" public health and safety.

Sorry its taken so long, but its a busy life out here.



9612110217 961206
PDR NRC SA I PDR
12

DS13

We should have been able to review the other strategic Assessment Papers. It seems to reduce the credibility of the project by withholding several from NRC employees. The most valuable comments from us will come in the next - implementation phase - of this process.

These papers are ethereal. With a workload that bows the back, it is difficult for the NRC staff to make detailed comments on "position papers" that have been developed by teams and been in-writing for weeks. The most realistic thing you should expect are some highlights that will be completed in a spare hour or two. These comments are being written at home because it is difficult to find that much time at the office.

Strategically, we should focus on two primary goals: (1) get inspectors to **observe more licensee performance**, and (2) **streamline our system for modernizing/changing our rules**. The agency must re-emphasize the absolute need to verify licensee performance. It is the Region based and Resident inspectors efforts that the agency exists.

DSI 6 - High-Level Waste and Spent Fuel

DSI 6 The NRC has the expertise, infrastructure and reputation to become the national leader in this extraordinarily important national initiative. The political leaders of our agency should take the lead in establishing a sound national policy. We can also create a sound, fundamental regulatory structure in which to address this issue and regulate the private storage of high level waste. The quasi-governmental agency to implement this process should be chosen ONLY AFTER private sources have elected to remain dormant.

What important considerations have been omitted from the issues papers?

The role of private industry has been missed. The NRC has, by statute, been charged with regulating private use of radioactive material. Let's concentrate on establishing a process in which the private sector can be drawn into solving this complicated problem. It seems reasonable to assume some Fortune 500 company could solve the problem and turn a profit! The National Security interests of this extremely valuable and dangerous material seem to have been missed.

How accurate are the NRC's assumptions and projections for internal and external factors discussed in the issue papers?

The long winded dissertation on the history of the NWPA and the associated wranglings seems to miss an assumption that a private, regulated, for-profit organization might be able to play a role. Priming private research and effort with the 522 million dollar pump like the one mentioned on page 11 might work.

Do the current preliminary views associated with each paper respond to the current environment and challenges?

In this case, all views respond, in some way to the challenges relating to high level waste. They just don't respond with the vigor and the unique leadership we have to offer.

DSI 12 - Risk-Informed, Performance Based Regulation.

The use of PRA has a very real place in the world of deterministic engineering criteria, quantitative, probabilistic risk measures, etc. It begins with a basic assumption that it is good that a reactor run safely and efficiently.

There is another set of assumptions that need be addressed as a basic sub-set to this DSI. Those assumptions are that breaking a reactor, making it run poorly, damaging the public health and threatening public safety are good. These are the same set of assumptions that tore PanAm Flight 103 from the air; that leveled the Federal Building in Oklahoma City; and cause disgruntled postal workers to turn a building into a shooting gallery. Attempting to apply the concept of "risk-informed" is quite different in the profession of protection. In our profession, PRA evaluation can result in target sets!

It is ironic that the PRA description uses a security term to establish a goal of "defense-in-depth."

We should separately develop a more cogent, modern approach to physical protection policies. Our current system of performance based regulation should be challenged as being unrealistic. The national risk-based policy in security should be based on the ease of success and the resultant affects. Our current approach, based on probability of action, is foolhardy and partially bankrupt.

What important considerations have been omitted from the issues paper?

The resolve, ability and opportunity of intentional acts to affect plant operation, public health and national safety has been missed completely.

How accurate are the NRC's assumptions and projections for internal and external factors discussed in the issue papers?

There are no assumptions of intentional acts found in the discussion of risk-informed performance based regulation in the paper. The topic is unique enough that it deserves a similar study effort to address the reluctance of an engineer-based culture to accept this real issue. The concept of the **design basis threat** should be updated and continued to be used as the external consideration.

Do the current preliminary views associated with each paper respond to the current environment and challenges?

Nope. See above. The system of security outlined in our current regulations was developed more than 20 years ago. The security environment in this country and the

world has developed in the last three years.

DSI-23 - Enhancing Regulatory Excellence

Regulatory excellence has three parts: dedication to safety; commitment to principles of good regulation; pursuit of superior performance. It involves regulatory "effectiveness and efficiency." Efficiency relates to the amount of risk reduction they achieve. This DSI focuses on efficiency. Why not on effectiveness? The juxtaposition of the two concepts is deceiving.

Using the Towers-Perrin or Regulatory Impact Survey as basis for action or as benchmarks of performance is simply dangerous. Both are one-sided, partisan, self-serving, unsubstantiated and factually inaccurate. Perhaps we haven't learned enough from the regulatory findings of the 11 IITs completed.

The initiatives taken so far have shown that if there is no problem in an area, there is no need [or reductions] for our oversight in that area (see regulatory review group etc). This is counterproductive because NRC management has clearly sent the message that to survive you must uncover issues before they become problems.

Option 1: This option requires only management direction, focus and prioritization. It takes re-direction of existing resources, not reductions or additions. Self-assessments should be better integrated into regulatory responsibilities and functions. Sometimes, licensee's can even assist, if we place the assistance in a context unlike the regulatory effectiveness review. **SIGNIFICANTLY STREAMLINING THE PROCESS TO UPDATE, REDUCE OR CHANGE SPECIFIC REGULATIONS IS A MEANS TO REGULATORY EFFECTIVENESS.**

Option 2: This represents the "engineer's approach" to problem solving. It suggests a new institutionalized organization of senior managers to provide some sort of direction to self-assessment. Can't they do that now? Perhaps the function should be centralized in a current office, under one competent manager to "divvy" out the self-assessment resources and focus. Can't the IG do this?

The currently streamlined [malnourished] NRC needs no new bureaucratic organization.