



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 19, 1998

Mr. Robert L. Cudlin
Indus International, Inc.
Indus Energy Group
21104 Blakely Shores
Cornelius, North Carolina 28031

Dear Mr. Cudlin:

I am responding to your letter of August 25, 1998, in which you enclosed your article "Lost Generation - The Risk of Regulatory Shutdown Poses Significant Asset Management Challenges for Nuclear Plants." We share the concern that NRC actions be objective, scrutable, and predictable. Our goal is to create a risk-informed and performance-based regulatory oversight process that reliably ties regulatory response to observed conditions. Towards this end, the U.S. Nuclear Regulatory Commission has been conducting a dialogue with the nuclear industry stakeholders. This dialogue has provided information and insights on a number of improvement initiatives that we are currently working on, such as development and implementation of a more risk-informed baseline inspection program, the development of a revised performance assessment process, and improvements to the enforcement program, to name a few.

I have given your thought-provoking article to the staff for their consideration while carrying out these initiatives. Thank you for your article and your concern about management challenges for nuclear power plants.

Sincerely,

Shirley Ann Jackson

DFO 2

9810050216 980919
PDR COMMS NRCC
CORRESPONDENCE PDR