March 17, 1997

 MEMORANDUM TO: L. Joseph Callan Executive Director for Operations
FROM: John C. Hoyle, Secretary /s/
SUBJECT: STAFF REQUIREMENTS - BRIEFING ON OPERATING REACTOR OVERSIGHT PROGRAM AND STATUS OF IMPROVEMENTS IN NRC INSPECTION PROGRAM, 2:00 P.M., THURSDAY, FEBRUARY 13, 1997, COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

The Commission was briefed by the NRC staff on the reactor oversight program and the status of improvements in the NRC inspection program.

The resources, in dollars and FTE, necessary to perform the follow-up to the industry 10 CFR 50.54(f) letter responses in addition to the normal inspection activities, should be outlined for the Commission.

The Commission requested information on the staff and contractor resources that will be devoted to the new engineering inspection procedure, and how they compare with resources required prior to the addition of a vertical slice approach.

The staff noted that inspectors are trained and have guidance on how to inspect for performance. It is important that the guidance and the training are consistent and that the distinction between inspecting for performance versus inspecting against a performance-based rule is thoroughly understood by inspectors. This distinction, and its impact on staff inspection activities should be articulated in a paper and submitted to the Commission for consideration.

The Commission noted that engineering judgment frequently plays a role in the performance assessment process and that its use in inspection activities should be addressed.

As part of the staff's evaluation of the efficacy of defining and formalizing a unified licensee performance assessment program requested in the SRM dated February 14, 1997, on the Briefing on Operating Reactors and Fuel Facilities, the staff should consider whether, when, and how the Plant Issues Matrix should be made available to licensees and the public.

The Commission emphasized that as these initiatives are implemented, the staff should ensure that inspection activities and regulatory actions ultimately lead to a clear and coherent view of operating reactor performance.

cc: Chairman Jackson Commissioner Rogers Commissioner Dicus Commissioner Diaz Commissioner McGaffigan OGC CFO CIO OCA OIG Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail) PDR - Advance DCS - P1-24

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