March 2, 2000

MEMORANDUM TO: Cynthia A. Carpenter, Chief
Generic Issues, Environmental, Financial
and Rulemaking Branch
Division of Regulatory Improvement Programs, NRR

FROM: Joseph L. Birmingham, Project Manager*/AR/*
Generic Issues, Environmental, Financial
and Rulemaking Branch
Division of Regulatory Improvement Programs, NRR

SUBJECT: SUMMARY OF PUBLIC MEETING WITH THE NUCLEAR ENERGY INSTITUTE REGARDING SELF ASSESSMENT AND CORRECTIVE ACTION PROGRAMS

On February 24, 2000, pursuant to notice, Nuclear Regulatory Commission (NRC) staff met with representatives of the Nuclear Energy Institute (NEI) and the Institute of Nuclear Plant Operations (INPO) to discuss the role of industry self-assessment and corrective action programs under the new NRC reactor oversight process. Enclosure 1 contains a list of persons in attendance at the meeting. Enclosure 2 contains material handed out at the meeting.

In opening remarks, Mr. Gillespie (NRC) observed that the revised oversight process involved two key elements. First is the cornerstones and associated performance indicators. Second is the trio of “cross-cutting issues” that may impact performance in any of the cornerstones. The cross-cutting issues are safety-conscious work environment, human performance, and problem identification and resolution (PI&R). Mr. Gillespie further noted that the PI&R issue has emerged as the overarching cross-cutting issue in that it addresses human performance problems such as procedure compliance as well as cornerstone issues such as problems in emergency preparedness, radiation protection or degraded equipment conditions. The staff would like to develop a consistent approach to assessing the performance of utility corrective action programs (CAP). Mr. Gillespie noted that the inspection procedure has assumed the role of de facto guidance for CAP implementation and expressed concern that this is an inappropriate role for NRC inspection procedures.

Mr. Beedle (NEI) expressed concern that the significance of issues in licensee CAPs has been artificially amplified in some cases as a result of NRC inspection findings. He agreed that guidelines for consistency are needed. He observed that CAP implementation is different from human performance and safety conscious work environment in that the latter require management involvement. He asserted that the CAP is a more mechanical process.

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Mr. Peifer (INPO) provided a brief history of INPO's evaluations of utility self-assessment and corrective action. He noted that INPO recognized as far back as 1980 that the CAP was at the heart of plant operations. However, it did not get emphasized at that time because of other issues such as operator training, equipment problems and human performance issues. INPO began to take a closer look at corrective actions in the mid-1980s and developed performance objectives and criteria that addressed self-assessment and corrective actions. With the advent of the NRC's revised reactor oversight process, Mr. Peifer noted that most plants are operating in the green (licensee-response band) relative to the NRC performance indicators. He expressed INPO's sense that self-assessment and corrective action programs will be central to taking the industry to "the next level."

Mr. Peifer posed the question, "How do we make the standards come alive?" He stated that this question led INPO to development of "Principles for Effective Self-Assessment and Corrective Action Programs" dated December 1999. (Mr. Peifer indicated that this document is publicly available.) INPO has requested that its members assess their own programs against the intent of the principles. INPO intends to then assist its members in addressing self-identified gaps. Subsequently, beginning approximately July 2000, INPO intends to evaluate its members performance in this area. Mr. Peifer observed that this approach is consistent with INPO's three-pronged approach of education, assistance and periodic evaluation.

Mr. Dorman (NRC) provided a brief presentation of related issues and concerns (Enclosure 3). He noted that the PI&R issue had been discussed at the NRC Pilot Program Lessons Learned Workshop in early January 2000. In that workshop, NRC and industry participants had identified several issues for resolution. The fundamental question involved the role of the annual PI&R inspection in the baseline inspection program of the revised oversight process. Views on this issue range from no role to an enhanced role. Resolution of this issue is fundamental to addressing the issues that follow. Once the role of inspection of PI&R is established, the group felt that clearer guidance was needed regarding a clear standard or yardstick for measuring the effectiveness of licensee PI&R. Using that yardstick, clear guidance is needed for recognizing and weighing the significance of deviations from the standard. Finally, thresholds for NRC response to PI&R inspection findings should be established. The workshop participants agreed to formation of a small working group to propose resolutions to these issues. Mr. Dorman noted that this group would be an NRC working group, and that at appropriate times in the process it would seek stakeholder input.

Regarding the general process for measuring licensee PI&R performance, Mr. Dorman noted that the standard must be publicly available and the NRC's evaluation of a licensee's performance against the standard must also be publicly available. In the context of giving credit for licensee self-assessment efforts, the staff noted that full credit (elimination of NRC inspection) would not be acceptable. The staff could assess the thoroughness of the licensee's effort and validity of its results in determining a reduced scope of NRC inspection. However, to ensure that the basis of the staff's conclusions are publicly available, the licensee must be prepared to provide its self-assessment report on the docket.

Mr. Dorman identified a range of options for development of a PI&R performance standard, noting that the options presented were for discussion only and did not indicate any staff bias. He noted that the standard should address the scope and depth of evaluation, should provide clear, consistently understood, objective and predictable thresholds for NRC response to PI&R inspection findings. Finally, he noted that some licensees use probabilistic insights in managing their CAP while others do not. The technical basis for the standard should focus on performance outcomes and provide flexibility to assess performance against a variety of program methodologies.

A general discussion of future activities followed. Mr. Beedle noted that training was a good model in which INPO established a national accreditation program that is observed by the NRC staff with a resultant decrease in direct NRC oversight of utility training programs. In the discussion, several questions and concerns were put on the table. The questions included: (1) how much control does the agency want to have over CAPs; (2) how do NRC and industry provide a system that facilitates broad application of the lessons learned from the best programs; (3) is the agency concerned that CAPs are sufficient today but could disastrously degrade without NRC oversight or awareness? Concerns included: (1) Mr. Beedle expressed concern over making the CAP the reason for the plant's existence; (2) Mr. Peifer expressed concern that prescriptive oversight may impede movement toward excellence.

The staff expressed interest in observing the INPO evaluation process related to self-assessment and corrective actions. It acknowledged that authorization for such observations would require discussions with more senior management. The staff also acknowledged that because of the proprietary nature of INPO's performance evaluator guidance, such observations would likely be closed to public observation. Therefore, these observations may assist the staff in developing improved inspection guidance. Further, licensee self-assessments developed in preparation for INPO evaluations may provide the basis for reduced NRC inspection if publicly available.

Next Steps

The staff will form a working group to address the issues arising from the Pilot Program Lessons Learned Workshop. Provided appropriate management endorsement, INPO will provide a discussion of its evaluation process. The working group will then observe INPO evaluations as part of its process to look at both the agency and industry efforts in the PI&R area and to integrate the best aspects to improve the effectiveness and efficiency of the inspection program.

The Quality Assurance, Vendor Inspection, Maintenance & Allegations Branch in NRR will coordinate the observations and prepare an evaluation of the staff's observations for the working group.

The meeting was adjourned.

Project Number 689

Attachments: As stated

cc: w/att: See list

The Quality Assurance, Vendor Inspection, Maintenance & Allegations Branch in NRR will coordinate the observations and prepare an evaluation of the staff's observations for the working group.

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List of Attendees
Licensee Corrective Action Programs Meeting 2/24/00

Name	Organization
Ralph Beedle	NEI
Mark Peifer	INPO
Frank Gillespie	USNRC
Dan Dorman	USNRC
Ted Quay	USNRC
Juan Peralta	USNRC
Jeff Jacobs	USNRC
Joe Birmingham	USNRC
Deann Raleigh	SERCH/Bechtel Power
Guy Cesare	Enercon Services
Barry Quigley	Self
Faridah Saba	NUSIS
Ron Eaton	H&P, Inc.

Attachment 1

PILOT PROGRAM LESSONS LEARNED WORKSHOP
GROUP D - PROBLEM IDENTIFICATION & RESOLUTION
ISSUES TO BE RESOLVED

- ROLE OF ANNUAL INSPECTION IN BASELINE PROGRAM
- "STANDARD" FOR EFFECTIVE PROBLEM IDENTIFICATION & RESOLUTION
- HOW TO RECOGNIZE DEVIATIONS FROM A EFFECTIVE PROGRAM
- THRESHOLDS FOR NRC RESPONSE TO PI&R ISSUES

PROPOSAL: FORM AN NRC WORKING GROUP TO PROPOSE RESOLUTIONS TO THESE ISSUES; OBTAIN APPROPRIATE STAKEHOLDER INPUT

Attachment 2

PRINCIPLES:

THE STANDARD FOR EFFECTIVE PI&R MUST BE PUBLICLY AVAILABLE

NRC EVALUATIONS AND CONCLUSIONS RELATIVE TO A LICENSEE'S PERFORMANCE AGAINST THE STANDARD MUST BE PUBLICLY AVAILABLE

POTENTIAL SOURCES OF THE STANDARD:

- INPO/NEI DOCUMENT
- OTHER NRC-ENDORSED INDUSTRY STANDARD
- NRC GENERATED STANDARD IN:
  - REGULATORY GUIDE
  - INSPECTION PROCEDURE

CONTENT OF STANDARD

- SCOPE
- DEPTH
- NRC RESPONSE THRESHOLDS:
  - CONSISTENTLY UNDERSTOOD
  - OBJECTIVE
  - PREDICTABLE
- TECHNICAL BASIS:
  - DETERMINISTIC VS. RISK-INFORMED
  - PERFORMANCE-BASED

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