

## Analysis of Comments Received on the Draft Strategic Plan

### General and Crosscutting

**G-1** Several comments discussed the need to improve the linkages between the performance goal measures and the performance goals, the benefit of providing additional specificity, and the need to derive a meaningful metric especially where the draft plan indicates that the metric is to be determined. OMB and GAO also shared similar comments. NRC has responded to these comments by (1) modifying the affected measures, (2) committing to develop the specific metrics and to put specific milestones in the annual performance plan, and (3) modifying the narrative to explain how these metrics will be developed. Specific comments and our responses, including a discussion of the changes to specific metrics and our recommendations for changes to the strategic plan are provided below.

**G-1a** Commission

Specific Comment: Measures: Where possible, and there is benefit to the agency, the plan should include more specificity and examples. This would ensure a better understanding of our efforts. Additional concreteness will also enable clearer policy guidance for the development of agency budgets over the time frame of the strategic plan.

Response: Agree, additional specificity will be provided in the annual performance plan. Since many of the comments involved providing stronger linkages between the measures and the performance goals, staff plans to more fully clarify the measures each year in the performance plan. Many of these measures are being developed and some of the metrics or milestones may change from year to year. A basic construct has been developed for these measures where the strategic plan more fully explains the rationale.

**G-1b** Commission

Specific Comment: Many of the measures are nebulously written or the metrics are undefined (or TBD). In particular, this would include all of the elements related to public confidence or interactions with stakeholders. I understand that it is very difficult to define meaningful measures and metrics for many of these areas. But we are going into the second year of the program and I can see the NRC making the same nebulous statements five years from now. For example, at the end of the paragraphs discussing the metrics for public confidence, you state *“During the interim, we will identify and report our efforts to increase public confidence in our annual performance plan and performance report.”* This statement could give a reader the impression that we do not know when these metrics will be developed. As another example, under the performance goal *“reduce unnecessary regulatory burden on stakeholders”*, how is it determined that a valid complaint exists that NRC regulatory activities have resulted in unnecessary burden to licensees or non-licensees? If a licensee or a non-licensee stakeholder raises a concern to the Commission and the Commission changes staff direction, does that indicate that the NRC has not passed this metric or does the stakeholder have to go to Congress

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or the Federal courts? We need to have an aggressive program for either redefining the measure or deriving a meaningful metric in the next year.

Response: Those measures that were either “nebulously written” or where the metrics were undefined have been revised. A basic construct has been developed in those instances where the performance measures are still being developed or where the specific metrics or milestones may change from year to year. In those instances, the strategic plan indicates that the annual performance plan will identify specific metrics or milestones and the process by which those metrics or milestones were developed. Additionally, the strategic plan more fully explains the rationale for those measures. The staff has begun working to redefine some measures or derive a more meaningful metric for the next performance plan. The offices are currently working to identify responsibility for each measure, to identify metrics, and to clarify verification and validation issues. As far as determining if a valid complaint of unnecessary regulatory burden is concerned, responsible management will be required to evaluate each item as a potential example of unnecessary regulatory burden and recommend an appropriate course of action within a defined time period. This information is being used for the strategic plan and will also be used for the next series of operating plans for FY 2001 and the performance plan for FY 2002.

The following changes have been made to the strategic plan for measuring public confidence by monitoring the allegations program for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas:

*Measure: Complete the milestones specific to the agency allegation program effectiveness assessment plan as identified for completion in the annual Performance Plan.*

*Rationale paragraph: The agency is currently developing an agency allegation program effectiveness plan and has not yet identified the specific milestones to be completed during the years covered by this Strategic Plan. Specific milestones will be identified each year in the NRC's Performance Plan. In this way, the Congress will be informed in a timely manner of the completion goals of the agency. NRC will be developing criteria for the choice of the specific milestones and for the monitoring processes. Milestones for the development and implementation of these criteria and the monitoring process will be included in the Performance Plan, so that progress on this activity will be reported to Congress on an annual basis.*

The following changes have been made to the strategic plan for measuring effectiveness, efficiency and realism by monitoring risk-informing activities for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas:

*Measure: Complete those specific reactor (or materials or waste) milestones in the Risk-Informed Regulation Implementation Plan identified for completion in the annual Performance Plan.*

*Rationale paragraph: The agency is currently developing a Risk-Informed Regulation Implementation Plan and has not yet identified the specific milestones to be completed*

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*during the years cover by this Strategic Plan. Specific milestones will be identified each year in the NRC's Performance Plan. In this way, the Congress will be informed in a timely manner of the completion goals of the agency. NRC will be developing criteria for the choice of the specific milestones and for the monitoring processes. Milestones for the development and implementation of these criteria and the monitoring process will be included in the Performance Plan, so that progress on this activity will be reported to Congress on an annual basis.*

The following changes have been made to the strategic plan for measuring effectiveness, efficiency and realism for completing at least two key process improvements each year for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas:

*Rationale paragraph: The measure of at least two key process improvements per year was selected in addition to the risk-informed measure to focus on other areas to seek improvement. The intent of the measure is to annually develop a list of key process improvements. The list will be prioritized based on the estimated effectiveness of the improvement and the completion of the two key process improvements would be tracked in the performance plan. The number of key processes, two, was chosen as a starting figure and as experience is gained, that metric may be revised.*

The following changes have been made to the strategic plan for measuring reducing unnecessary regulatory burden for the Nuclear Reactor Safety arena:

*Measure: Complete those specific milestones to reduce unnecessary regulatory burden as identified in the annual Performance Plan.*

*Rationale paragraph: The objective of the forthcoming plan is to develop and implement a process for collecting data for identifying activities that have the greatest impact on reducing unnecessary regulatory burden while maintaining safety. The agency is currently developing milestones for reducing unnecessary burden while maintaining safety and has not yet identified the specific milestones to be completed during the years covered by this Strategic Plan. Specific milestones will be identified each year in the NRC's Performance Plan. In this way, the Congress will be informed in a timely manner of the completion goals of the agency. NRC will be developing criteria for the choice of the specific milestones and for the monitoring processes. Milestones for the development and implementation of these criteria and the monitoring process will be included in the Performance Plan, so that progress on this activity will be reported to Congress on an annual basis.*

The following changes have been made to the strategic plan for measuring reducing unnecessary regulatory burden for the Nuclear Materials Safety and Nuclear Waste Safety arenas:

*Measures : No more than one substantiated case of unnecessary regulatory burden per year resulting from modification or application of the nuclear materials (Waste) regulatory framework as identified by a licensee or non-licensee stakeholder.*

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*Rationale paragraphs: NRC wants its regulatory programs to be protective at reasonable cost and without excessive conservatism. NRC seeks opportunities to reduce existing unnecessary regulatory burden and will strive to ensure that any new actions by NRC do not impose any new unnecessary regulatory burden. These performance goal measures are designed to assess how the agency is meeting these objectives and apply only to the NRC. They exclude Agreement States. The first measure tracks instances where NRC may have overlooked a potential unnecessary regulatory burden associated with implementation of new or revised regulations or regulatory guidance that became effective during the reporting period. It includes instances of license review, inspection, or enforcement activities where new or existing regulations and regulatory guidance may have been inappropriately applied. Licensees or other external stakeholders may inform the NRC of a potential regulatory burden in writing, via E-mail, or may present a potential unnecessary regulatory burden issue to the Commission during transcribed meetings. Responsible management will be required to evaluate each item as a potential example of unnecessary regulatory burden and recommend an appropriate course of action within a defined time period. In addition, the first metric provides an indication of quality of work. Any NRC activity that imposes new unnecessary regulatory burden indicates that the work process failed to identify the new burden.*

### **G-1c** Commission-- Measuring public confidence through feedback surveys

Specific Comment: In regards to the survey that is being considered for measuring the public's confidence, I believe it poses significant challenges to the staff, such as: determining who the survey should be sent to; addressing outside factors that may influence survey results; and determining how to measure survey results against the Performance Goal measures. I think considerable thought should be given to this effort, including probable benefits and drawbacks to conducting the survey, prior to moving forward.

Response: Agree that the survey identified in the initial draft chapters of the Strategic Plan posed significant challenges. References to this survey had been deleted prior to issuing the draft NRC FY 2000-2005 Strategic Plan for comment. Upon further review, a new measure has been added to the revised Strategic Plan to systematically collect and evaluate feedback from external stakeholders as a proxy for measuring public confidence. An approach, based upon developing a feedback form that will request comments as part of selected interactions with external stakeholders, will be used to monitor changes and trends in public confidence. Staff will be working with a contractor to develop such a feedback form and to collect and evaluate the responses. Staff is also developing communication plans for significant regulatory issues to determine at which interactions feedback forms should be distributed. Additional details, including specific milestones associated with the communication plans will be identified in the annual performance plan. Communication activities are only part of the strategies that will be employed to increase confidence.

The following changes have been made to the strategic plan for measuring public confidence through feedback surveys for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas:

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Measure: *Complete the milestones in the annual Performance Plan relating to collecting, analyzing, and trending information for measuring public confidence.*

Rationale paragraph: *The staff is increasing the number, and improving the quality, of its interactions with external stakeholders. We intend to take advantage of these interactions by requesting feedback from the stakeholders that participate in them. The staff believes that the combination of (1) being more pro-active in interacting with external stakeholders, (2) improving our interactions with these stakeholders, (3) improving our responsiveness to stakeholder concerns, and (4) systematically monitoring feedback will allow the staff to assess changes and trends in public confidence.*

### **G-1d** Commission-- Measuring public confidence by monitoring outreach activities

Specific Comment: On page 16 (Nuclear Materials Safety) and page 22 (Nuclear Waste Safety), there is a measure which reads “*No more than (TBD) significant regulatory issues per year for which outreach activities were not conducted with the public affected.*” This measure is fairly vague and the discussion in volume 2 does not clarify the issue enough. Either the measure needs to be changed or the discussion in volume 2 needs to be amplified. The discussion should focus on the definition of a significant regulatory issue and when the public outreach needs to be conducted. For example, an emergency license amendment or enforcement discretion could be considered a significant regulatory issue for which public outreach was not done until after the agency made a decision. Would this example be considered a failure under this measure?

Response: Agree, the measure has been changed in the Strategic Plan and additional specificity will be provided in the annual Performance Plan. The following changes have been made to the strategic plan for measuring public confidence by monitoring outreach activities for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas:

Measure: *Complete all of the public outreaches for the arena as scheduled in the Performance Plan.*

Rationale paragraph: *Public outreach was chosen as a performance measure for public confidence based upon NRC experience from well conducted public outreaches. In response, the need for communication plans is recognized in this Strategic Plan. This measure relies on the annual Performance Plan to identify the specific metrics that will be used in assessing results.*

Additional rationale paragraph only for Nuclear Reactor Safety: *The future focus of the outreach effort for significant regulatory issues will be on keeping the public in the vicinity of the facility informed. The NRC will monitor plant-specific activities for issues that meet the significant regulatory issue definition. The process will ensure that appropriate outreach activities are being effectively initiated.*

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### G-1e Commission—Measuring public confidence by monitoring Directors Decisions

Specific comment: All the arenas refer as one measure under public confidence efforts the completion of Directors Decisions under 10 CFR 2.206 within 120 days. To improve the readability of these provisions a short (one line) description of what the Directors Decision/2.206 process is would be helpful for those not familiar with that nomenclature.

Response: Agree to describe the 2.206 process including Director's Decisions. The following changes have been made to the strategic plan for measuring public confidence for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas to define "Director's Decision" and "the 2.206 process":

*Endnote: A 10 CFR 2.206 petition is a written request filed by any person to institute a proceeding to modify, suspend, or revoke a license, or for any other enforcement action. The petition specifies the action requested and sets forth the facts that constitute the basis for the request. The NRC evaluates the technical merits of the safety concern or investigates the wrongdoing presented by the petition. Based on the facts determined by the NRC technical evaluation or investigation of the merits of the petition, the Director will issue a decision to grant the petition, in whole or in part, or deny the petition. The Director's Decision explains the bases upon which the petition has been granted and identifies the actions that the NRC staff has taken or will take to grant the petition in whole or in part. Similarly, if the petition is denied, the Director's Decision explains the bases for the denial and discusses all matters raised by the petitioner in support of the request.*

### G-1f Commission

Specific comment: The level of detail or portions of the strategic plan, particularly in the discussions of strategies, is more in line with the detail that should be found in the agency's performance plan. In simplifying the strategic plan, the staff should clarify the distinctions between the two plans, and should consider relocating some of the performance measures to the performance plan.

Response: Agree to clarify the distinctions between the Strategic Plan and the Performance Plan. OMB Circular No. A-11 guidance calls for the repetition of a lot of information in the performance plan to give the reader a better context for program and budget decisions. Part 1 is the Strategic Plan and presents an executive summary focused on the agency's strategic and performance goals, their associated strategies and measures, and corporate management strategies. Part 2 is the Strategic Plan Appendix and covers the Part 1 topics more comprehensively to provide additional guidance to NRC staff and includes additional materials required by the GPRA and the OMB Circular A-11. Both documents will continue to include performance measures as required by A-11. A basic construct has been developed in those instances where the performance measures are still being developed or where the specific metrics or milestones may change from year to year. In those instances, the strategic plan indicates that the annual performance plan will identify specific metrics or milestones and the process by which those metrics or milestones were developed. Additionally, the strategic plan more fully explains the rationale for those measures.

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**G-2** Several comments focused on the development of zero or non-zero metrics as being limited, not representative of regulatory successes, not showing progress toward achieving the agency's strategic and performance goals, and lacking a balance of positive and negative outcomes. NRC has responded to these comments by discussing how the metrics were developed, by explaining the relationship between the strategic goal and performance goal metrics, how failure to meet these metrics trigger a self-assessment, and our commitment to consider the inclusion of regulatory successes in the annual performance report in addition to reporting on outcome data. The following lists specific comments and our consolidated response.

- Commission

Specific Comment: As I stated in my vote on COMSECY-99-038, many of the metrics and performance measures are written in an all or nothing format which results in a fairly negative impression. In the future, when addressing measures and metrics, I would prefer to have a range of measures from poor performance to outstanding performance.

- Specific Comment: Staff should strive for a portfolio of measures and metrics that will enable an on-going assessment of performance and progress. I share ... concern about the binary nature of some of the measures - a random event could define failure. Continuous measures would better enable assessment of progress toward the accomplishment of the goals. Also, as reflected in the stakeholders comment document on the draft reactor safety chapter, staff should consider creating measures which relate to assessing the quality of various products. In short, the type and balance of measures and metrics should continue to be evaluated.

Specific comment: Each measure/metric will create obligations for data collection, analysis, and quality control. The staff should seek to achieve a balance; there should be sufficient number and diversity of measures and metrics to enable an informed assessment of progress but not so many that a needless burden is created.

Specific comment: A majority of the measures and metrics are written in an all or nothing format which results in a fairly negative impression. We either receive the top mark in each area or we receive the worst grade. Since the goals are written with an all or nothing mind set, they tend to be reasonably easy to meet and anything less than perfect leaves a fairly negative impression. Take for example the main measure, "*zero deaths resulting from acute radiation exposures*" caused by radiation which we regulate. It is a laudable goal, but you either meet it or you do not. If we fail, we fail totally. I fully realize that some metrics (such as the no deaths - if it absolutely must be a metric) may have to be an all or nothing standard. But I would prefer to see additional measures and metrics throughout the document that leave a positive impression and have a range of measures from poor performance to outstanding performance. Then our report to Congress for a particular measurement (such as public confidence) would be a more accurate representation of the progress being made by the Agency.

Specific comment: The draft plans acknowledge that many of the strategic goals are beyond the NRC's ability to control, yet many of the related strategic goal measures and their metrics are stated in absolute terms, i.e., "zero." The use of "zero" as a metric is inconsistent with our

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limited span of control. Either the metrics should be changed to something other than “zero,” or the associated measures should have caveats added that refer to regulatory failures.

Response: OMB Circular A-11 (Section 220.9) requires that a performance goal be self-measuring or that the agency include one or more performance indicators for that goal. The Government Performance and Results Act of 1993 (GPRA) requires the establishment of performance indicators to measure or assess the outcome of program activities. The performance indicators set out specific, measurable values or characteristics related to the performance goal, and which will aid in determining goal achievement. The performance goals developed for the FY 2000-2005 planning period contain vectors of change, indicating whether performance needs to change, but do not in and of themselves measure whether those goals have been achieved. Performance measures have been developed for each of the strategic and performance goals for each of the arenas.

The target values (five years in the future) for these measures have been determined after consideration of historical performance, in cases where the vector was to maintain the status. Further, policy considerations played a role in some cases, for instance the “*No deaths resulting from acute radiation exposures...*” in the Materials Safety arena. At least one event has occurred in past years that would trigger this metric (NUREG-0090, vol. 15, no.4 event 92-18), providing evidence that another event could occur without the underlying level of safety having changed. Notwithstanding this fact, as a matter of policy, the target value should always be no (zero) deaths from acute radiation exposure consistent with the NRC mission. Where the goal is to improve the level of performance, a target value has been established now, but a new value indicating improvement from the baseline will be established in the future, as appropriate.

A range of measures from poor performance to outstanding performance has not been included since it would be inconsistent with the intent of GPRA to provide targets on which to base resources, plans and strategies, and to measure progress. Additionally, continuous measures would not better enable assessment of progress toward the accomplishment of the performance goals. Under GPRA, progress is measured by the performance metrics in the Annual Performance Plan. Failure to meet a strategic or performance goal measure does not automatically signify that NRC has performed poorly or that we have failed to achieve our strategic and performance goals. Failure to meet performance metrics will trigger a self-assessment. Program evaluations will assess the extent to which the expected results in the Strategic Plan goals, measures, and strategies have been achieved and provide insight into whether the strategic direction of the agency should be changed.

We acknowledge in Part 1 (page 4) that the safe and secure use of nuclear materials for civilian purposes is the responsibility of the NRC licensees and Agreement State licensees, and the regulatory oversight of licensees is the responsibility of the NRC and the Agreement States. To the extent that performance metrics are not achieved, our self-assessment will determine whether “failure” to meet these metrics resulted from a regulatory “failure” on the part of NRC and whether NRC policies and procedures need to change as a result.

Agree that a random event, may initially, indicate a “failure.” While the metrics were set after consideration of historical data, in general, they were not set rigorously and therefore could be a



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trigger for a self-assessment based on a random event. Any self-assessment that would be done would consider the likelihood of such a situation. The endnotes in the Strategic Plan Part 1 (No. 4) and Part 2 (No. 2) have been modified to reflect this concept.

Agree to continue to evaluate the type and balance of measures and metrics. At this point, staff is comfortable with the mix of measures and the metrics for those measures although additional work needs to be done to improve the outcome orientation of the measures identified for the non-safety performance goals. We will continue to report on our regulatory successes along with our performance metrics in the annual performance report to provide the public with a more balanced picture of NRC operations.

Agree that the agency should be cognizant of the additional burden to collect and analyze this information. The staff is currently working to assign responsibility for collecting the data and achieving these targets.

### G-3 Commission

Specific comment: I feel there are some instances where the measures and metrics give the perception of encouraging the staff not to take the appropriate response. I am not accusing the staff of actually taking incorrect action, it is just the metric implies a disincentive exists. For example, under the performance goal *“Make NRC activities and decisions more effective, efficient, and realistic”*, measure number 3 reads *“Number of program deficiencies identified by internal or external sources (e.g., requests for rulemaking, 10 CFR 2.206 petitions, operational experience) where potential significant safety, environmental, or safeguards impacts were not adequately considered or where significant operational impacts occur”* should occur less than or equal to two times per year. This metric specifically mentions 2.206 petitions but he is assuming it could include differing professional opinions as well. First, the metric of less than two per year is undefined. It could be less than two per year submitted or less than two per year confirmed or less than two per year granted. But assuming it means less than two per year confirmed or granted, this metric could be perceived as a disincentive for staff to grant a 2.206 petition or DPO/DPV because such a decision would count against the NRC in the strategic plan reporting to Congress. The staff should review the wording of the “measures and metrics” to ensure they do not imply a disincentive to take the appropriate response.

Response: Staff has changed a number of measures and metrics and has reviewed the wording of the measures and metrics to ensure they do not imply a disincentive to take the appropriate action. The staff has been working to make sure that all measures are valid and appropriate indicators of performance.

### G-4 Some comments challenged the structure of the plan itself, questioning the use of separate mission chapters, the use of four common performance goals for each of those mission chapters, the absence of a vision statement, and the absence of a description of the process used to develop the document. The following narrative includes the specific comments and our responses.

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### **G-4a Commission**

Specific Comment: A large amount of material is repeated in the Materials and Waste chapters, especially in the performance goals relating to public confidence and the efficiency, effectiveness, and realism of NRC activities and decisions. The staff should eliminate such repetition as it compiles the entire strategic plan.

Response: Agree that a lot of material was repeated in the individual arena chapters as they were originally developed and submitted separately to the Commission. During the course of developing a complete strategic plan, staff compiled the various chapters into two component documents. Part 1 is the Strategic Plan and presents an executive summary focused on the agency's strategic and performance goals, their associated strategies and measures, and corporate management strategies. Part 2 is the Strategic Plan Appendix and covers the Part 1 topics more comprehensively to provide additional guidance to NRC staff and includes additional materials required by the GPRA and the OMB Circular A-11. The extent of duplication is a function of our decision to harmonize the performance goals for each strategic arena and to present each arena separately in the strategic plan to have the guidance for the staff in one place. The staff feels that these performance goals are programmatic and germane to each arena.

### **G-4b Department of Energy**

Specific comment: First, the following three performance goals are found in each mission area strategic goal and give the impression that this document is an assembly of three strategic plans rather than being one integrated document: Increase public confidence; Make NRC activities more effective, efficient and realistic; and Reduce unnecessary regulatory burden on stakeholders. For an agency-level strategic plan, we suggest you consider discussing these under the Corporate Management goal as cutting across all mission areas.

Response: Disagree that the three non-safety performance goals should be discussed as corporate management goals cutting across all mission areas, rather than specific arena strategies, at this time. Each of our strategic arenas represents a different set of issues and as such could require different measures and strategies for the same goal. Based on experience, it may be appropriate to consider these as strategies cross-cutting all mission areas in the future.

### **G-4c NRC Employee**

Specific comment: The potential effectiveness and the rationale of the Strategic Plan cannot be properly evaluated, because there is no Vision Statement to use as a standard. The Mission statement is clear and appropriately concise, but it is not a Vision Statement. A Vision Statement is a statement of what the agency strives to become. If there are incremental improvements to reach in the next five years, then they should be stated, and the Strategic Plan should present the key approaches to reach those improvements. Improvements on each of the five Principles of Good Regulation seems to be a reasonable list to begin with.

Response: Staff concluded that a vision statement would not add to the clarity of the strategic plan. Instead, a lot of effort was put into the development of measures and metrics to track our

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progress toward achieving our performance goals and a more detailed elaboration of the key activities that would drive our strategies over the next 5 years. The performance goals themselves are linked to the Principles of Good Regulation and the vector of change (maintain, increase, decrease) indicates where improvements are needed. OMB Circular A-11 does not require a vision statement (Section 210.6).

### G-4d NRC Employee

Specific comment: The apparent structure of the Strategic and Performance goals appear to serve as high-level implementation goals that relate to an unstated *status quo* baseline of operations. It seems that genuine changes would clearly give the vision first priority. For example, it is not apparent that the Commission provided to the staff a vision or clear direction that strongly endorsed the intent of GPRA. Rather, it appears that the Strategic Plan reflects the results of facilitated sessions with headquarters and regional senior executives, who were more familiar with their programmatic needs than with how to integrate and implement agency goals. The process for producing the Strategic Plan is not clear to the reader. The description of the process could be a useful addendum.

Response: The structure of the Strategic Plan reflects a major change in policy endorsed by the Commission over the past 2 years. Rather than improve safety, the Commission has endorsed the policy of maintaining safety. Although maintaining safety is our preeminent goal, the Commission has also acknowledged the need to increase public confidence; improve effectiveness, efficiency and realism; and to reduce unnecessary burden. This policy is reflected in the Strategic Plan by identifying four performance goals for Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety arenas. Through the process of facilitated planning sessions, senior management has identified strategies and measures for each of these performance goals as they relate to each of the three arenas. These performance goals have been used as the basis of prioritizing programs and activities for the major program offices. The facilitation process used to develop the Strategic Plan will be identified in the Chairman's message.

### G-5 Commission

Specific comment: There currently are a number of inconsistencies among the chapters (e.g., performance goal definitions, strategy development and content, linkage, etc.). The integration of the chapters into a common document should be undertaken with a focus on achieving the necessary consistency. Where there are necessary differences, including differences in the priorities of the performance goals, the plan should clearly articulate the context so that the reader can understand the reasons for those differences.

Response: Agree that there has been inconsistencies among the chapters prior to the submission of the first complete document to the Commission in February 2000. Staff has reviewed the chapters to ensure consistency in the statement of performance goals, strategies and measures across the three strategic arenas. An outside editor has reviewed Parts 1 and 2 to standardize the narrative. The performance goal to maintain safety has been identified in the Strategic Plan as

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our preeminent goal for each of the strategic arenas. No attempt has been made to prioritize the other three performance goals in any of the strategic arenas.

### G-6 PECO Energy Company

Specific comment: Page 3 of the draft strategic plan provides the proposed “*Principles of Good Regulation.*” Consideration should be given to adding principles involving ‘Consistent Enforcement’ and ‘Technically Knowledgeable Staff.’ These additions will further enhance the list of principles provided in the draft.

Response: We agree that consistency of enforcement and technically knowledgeable staff are important elements of good regulation, however, these elements are already embodied in the Principles and stated in accompanying paragraphs. Consistency of enforcement is in the principle of being reliable and stated as “*The NRC’s regulatory actions should always be fully consistent with written regulations and should be promptly, fairly, and decisively administered so as to lend stability...*” Technically knowledgeable staff is in the principle of being efficient and stated as “*The highest technical and managerial competence is required and must be a constant agency goal.*”

### G-7 NRC Employee

Specific Comment: Budget and staff resource allocations are inextricably linked to achievement of improvements and goals. It seems reasonable that a Strategic Plan would include a working strategy for allocating and shifting budgets and staff resources as appropriate to enhance the potential for success. For example, prevention of radiation-related deaths and illnesses are stated Strategic Goals for both NRR and NMSS. From the historical record, there appears to be a greater need for improvement in this area in NMSS than in NRR. The details of budget integration and performance could fit into separate documents as mentioned at the end of “Our Strategic Arenas,” but the strategy should be in the Strategic Plan.

Response: Agree, the agency has identified NRC’s planning, budgeting and performance management process, PBPM, as a corporate management strategy in Part 1 and further elaborated in Part 2. Through this process, agency programs and activities will be chosen and prioritized based on the significance of the work to the achievement of the agency’s performance goals. The offices have been using the PBPM process to prioritize their activities relative to the four performance goals for the FY 2002 budget process. These priorities are currently being reviewed by senior management within the context of arena goals and overall agency priorities.

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### **Nuclear Reactor Safety**

#### NUCLEAR REACTOR SAFETY ARENA-GENERAL COMMENTS

**R-1** Nuclear Energy Institute

Specific comment: The Plan should relate goals and strategies with resource projections to include budget as well as staffing levels. The March 7, 2000, letter from Chairman Meserve to The Honorable James M. Inhofe contains such projections of resources and activities that we believe are useful for long-range planning purposes.

Response: The Strategic Plan is not the appropriate document to link resource projections to goals and strategies. Resources (budget and staffing levels) to achieve goals and implement strategies is more appropriately discussed in the budget/performance plan. Under the Government Performance and Results Act, the primary objective of the Strategic Plan is to describe the goals, outcomes, and strategies an agency will pursue over the next five years in order to achieve its mission.

**R-2** Nuclear Energy Institute

Specific Comment: In general we believe this draft is an improvement of the earlier version. However, it lacks a clear relationship between strategic goals, performance goals, strategies and measures to assess results. There should be a rational linkage between stated goals, strategies to achieve goals and the measures to assess progress or results.

Response: The Strategic Plan Appendix contains a schematic which explains the linkage between strategic goals, performance goals, strategies and measures. To clarify the linkage between certain measures and their respective performance goals, a discussion of the rationale for the selection and development of the measure has been provided in the revised Strategic Plan. These changes are more fully discussed in the response to general and crosscutting issues, G-1.

**R-3** Nuclear Energy Institute

Specific Comment: The Plan includes measures to assess results that are too vague to be objectively measured. The measures should contain clear criteria for measurement, with completion dates within the five-year period of the plan.

Response: Agree. Clear criteria for measurement have been added to the revised Strategic Plan. Where the measure reports progress in developing more appropriate measures, the explanation for this has been added in the Strategic Plan. Other measures that refer to specific metrics or milestones that may change from year to year, are cross-referenced in the Strategic Plan to the annual Performance Plan where these metrics or milestones are identified. See the responses to comment G-1 in the General section above for an expanded explanation.

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### REACTOR STRATEGIC GOAL AND MEASURES

#### R-4 Department of Energy

Specific comment: The strategic goal for nuclear reactor safety presumes the existence and operation of civilian nuclear reactors. With the current goal and measures, shutting down and dismantling all nuclear reactors would result in the NRC achieving its measures and strategic goal. We think that strategic goal and measures should better balance the legitimate construction and operation of civilian nuclear reactors for the benefit of the public with the need to protect the public's health and safety and the environment.

Response: The NRC's mission is to regulate the civilian use of nuclear energy to ensure adequate protection. The strategic goals represent the outcomes associated with the mission. However, as stated in the introduction to the strategic goals, *"The NRC will conduct an effective regulatory program that allows our Nation to use nuclear materials safely for civilian purposes and in a manner that protects the public and the environment..."* Given NRC's mission, we believe that this statement appropriately recognizes the legitimate civilian use of nuclear material, including construction and operation of civilian reactors. Additionally, the nuclear industry does not at this time anticipate the construction of any new nuclear power plants over the next 5 years. As such, our goals and strategies protect the public health and safety and the environment, while meeting the expected needs of the nuclear industry.

#### R-5 Nuclear Energy Institute

Specific Comment: The strategic goal is inconsistent with the NRC safety goal policy statement. The strategic goal and measures described in the plan establish a zero tolerance for public health and safety impacts, whereas the Safety Goal Policy Statement appropriately recognizes that zero risk is not achievable with any technology.

Response: The strategic goal and its associated measures are not inconsistent with the 1986 Safety Goal Policy. The Nuclear Reactor Safety strategic goal is focused to *"Prevent radiation-related deaths and illnesses..."* The five strategic measures are indicators as to whether that goal has been achieved, but are not in and of themselves goals. On the other hand, the Safety Goal Policy expresses an acceptable level of risk from nuclear power plant operation by comparison with other societal risks and recognizes that zero risk is not achievable with any technology. By tracking whether there have been any accidents, deaths, or releases from nuclear reactors, the agency can better assess whether we are achieving the strategic goal. Additionally, exceeding a measure for the strategic goal will prompt an assessment of whether or not the underlying level of safety has changed. Programs and activities would be assessed for a case where the level of safety changed to evaluate if failure of those programs or activities were a contributor. If such reevaluations are prompted at a more restrictive level, it would provide assurance that the less restrictive measures will be achieved. The same situation applies to the relationship between the goals and measures at the performance level and the strategic level. Given the hierarchical nature of the goals in the Policy and the goals at the strategic level in this plan, there is no fundamental inconsistency.

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- R-6** Some individuals felt that certain safety terms were not clear or needed to be better defined. Lack of a clear understanding of these terms could lead to inconsistencies between goals, measures and strategies. These terms are referenced in the narrative explanation of the strategic goal as well as the explanation of the performance goals to maintain safety. NRC has responded to these comments by providing further clarification of “small increases in risk” and “acceptable safety level.” NRC continues to rely on the health and safety regulations themselves as providing sufficient clarification of “adequate protection”

Nuclear Energy Institute

Specific comment: This draft of the Plan does not provide a definition to the term “adequate protection” and thus fails to provide a baseline against which to measure the effectiveness of agency actions. In a report dated August 3, 1999, the Center for Strategic and International Studies states, “Clear, concise definitions of adequate protection must be developed and understood by the industry, NRC and the public.” Without such definition, the NRC will be unable to delineate measurable goals and outcomes - essential items for any meaningful and useful strategic plan. Better definition of what constitutes “adequate protection” would enable the agency to establish realistic strategic goals. [Reactor Performance Goal: Maintain safety]...needs a strategy for providing clearer definition to what is “adequate protection” and incorporating the results in the other strategies in this section. Absent a definition of “adequate protection”, it is difficult to establish what is acceptable and necessary for maintaining safety. Suggest changing the performance goal [*“maintain safety, protection of the environment, and the common defense and security”*] to, “Improve Safety Focus of Agency Actions.”

NRC Employee

Specific comment: An important concept in the Mission Statement is apparently blurred when incorporated into the Strategic and Performance Goals. In part, the mission is to ...ensure adequate protection of public health and safety,...(emphasis added). Adequate protection does not ensure public health or safety. Public health is difficult to define and safety, which means “freed from harm or risk,; is inconsistent with the regulatory assumption of no threshold for risk from exposure to radiation. However, adequate protection of public health and safety can be clearly determined and stated by the Commission through the authority granted by law. a. The third Strategic Goal should be reworded to read, “Prevent adverse impacts from radioactive waste to the adequate protection of the current and future public health and safety...” b. The first sentence of Performance Goals should be reworded to read, “The adequate protection of public health and safety remains...” c. The third sentence of Performance Goals should be reworded to read, “The agency has established performance goals to support...arenas: maintain adequate protection of safety. d. The second sentence of the second paragraph of Performance Goals should be reworded to read.”...with adequate protection of public health and safety as the primary consideration.”

Response: Disagree that “adequate protection” does not ensure public health or safety. The concept of adequate protection has multiple attributes and both legal and technical considerations and has utilized a ‘presumptive’ approach to adequate protection based on the current set of regulations. Under AEC and NRC case law, reasonable assurance of adequate protection of

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public health and safety has long been defined by the Commission's health and safety regulations themselves -- there is reasonable assurance of adequate protection of public health and safety when the applicant or licensee demonstrates compliance with the Commission's regulations.

[Maine Yankee Atomic Power Company (Maine Yankee Atomic Power Station), ALAB-161, 6 AEC 1003, 1010 (1973)]

The Commission, in its Staff Requirements Memorandum on SECY-99-191, dated October 28, 1999, instructed the staff to "work to bolster and clarify how it makes its findings of reasonable assurance and ...enhance and verify the bases and premises for its determinations as new methodologies and technology permit." The Commission noted that this process should not only improve the Commission's specific findings, but "lead to a more refined description of the meaning of 'reasonable assurance' of adequate protection."

Agree to provide additional clarification of "small risk increases" by referencing Regulatory Guide 1.174, "An Approach for Using Probabilistic Risk Assessment in Risk-Informed Decisions in Plant Specific Changes to the Licensing Basis," which establishes general principles for using risk information in NRC review and approval of licensing actions. An endnote has been added to specifically reference the Regulatory Guide.

Agree, additional clarification of "acceptable safety level" has been provided by replacing the term with "*acceptable safety performance level*." The term "acceptable safety level" appears in the narrative under the performance goal of maintaining safety, and is discussed in the context of licensee performance and the NRC oversight of it. The staff does not intend to define acceptable safety (performance) level beyond what is inherent in the oversight process for evaluating reactor licensee performance.

The following narrative will replace the third paragraph under the performance goal to maintain safety: "*NRC licensees will continue to have the primary role in maintaining safety and are expected to identify, through mechanisms such as operating experience feedback and integrated risk assessments, the design and operational aspect of their plants that should be enhanced to maintain acceptable safety performance levels. For nuclear power plants to continue operating, safety performance must be at or above acceptable levels. NRC will take action to improve safety performance before it falls below acceptable levels and will require the shutdown of plants when their safety performance is identified as unacceptable. This principle is inherent in the NRC's new oversight process.*"

### REACTOR PERFORMANCE GOAL: MAINTAIN SAFETY

#### **R-7** Nuclear Energy Institute

Specific comment: [The performance goal of "*maintain safety, protection of the environment, and the common defense and security*"] is more strategic in that it is enduring. It is not a goal that lends itself to discrete measures to assess results within a three to five year time frame.

Response: Disagree. The staff believes that the goal does lend itself to measurement. The intent of the performance goal is to maintain--in lieu of increasing or decreasing-- current safety levels.



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The performance measures chosen identify changes in safety and signal when NRC regulatory activities need to be reevaluated. Additionally, the agency will conduct program evaluations, program assessments, and performance reviews to assist in making a determination whether any change in its performance goals is warranted for the next triennial update of the Strategic Plan.

### R-8 Commission

Specific comment: I encourage the staff to continue to improve the manner in which they articulate the domestic benefits associated with our international activities.

Response: We have added references in many places in Part 2 to identify international activities. For instance, see page 7, 1<sup>st</sup> reactor performance goal, end of 2<sup>nd</sup> paragraph: the following sentence was added, *“We will use the body of domestic and international knowledge, experience, and research to determine when small risk increases are acceptable.”*

### Reactor Maintain Safety Strategies

### R-9 More than one individual raised the issue regarding the transition to a revised reactor oversight program and how this will be evaluated.

Nuclear Energy Institute

Specific comment: The first strategy related to the transition to a revised reactor oversight program is fundamental to NRC inspection, assessment and enforcement activities. How will this transition be measured from an agency-wide perspective?

Commission

Specific comment: Reactor arena: This chapter reflects progress made in the transition to a results-oriented environment. It reflects improvements in the measures and the improved clarity of those measures, and in the identification of key areas and priorities for the arena. It is unclear why the performance goal measure relating to the completion of a comprehensive evaluation of the effectiveness of the revised reactor oversight program in FY 2001 (#6) was eliminated [this was not a measure but a milestone that was dropped by NRR]. Staff should also consider the role and contribution of the regions in the achievement of the goals.

Response: As described in the Appendix to the Strategic Plan, in FY 1999 and FY 2000, the staff worked to develop and transition to the revised reactor oversight process (RROP). The transition effort included a pilot program of the RROP conducted at nine reactor sites over a six-month period. The pilot effort was evaluated by the Pilot Program Evaluation Panel, which functioned as a management-level oversight group and consisted of NRC, NEI, industry, public, and State representatives. The Panel evaluated the results of the performance indicators, baseline inspections, assessment, and enforcement activities using quantifiable performance measures and expert judgment. Initial implementation at all reactor sites (except D.C. Cook) began on April 2, 2000.

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The commitment to do a comprehensive evaluation of the RROP was removed from the reactor chapter and is now discussed under Program Evaluations in the Strategic Plan Appendix, Part 2 section titled “*Link to other Planning Documents, Program Evaluations, and Management Challenges.*” This comprehensive evaluation will be completed in FY 2001 and will assess program effectiveness and the first year of implementation of process improvements, including the risk-informed baseline inspection program, use of licensee-reported performance indicators, and revised assessment and enforcement activities. The scope of the evaluation will include assessments of whether the revised oversight process (1) ensures that plants continue to be operated safely, (2) enhances public confidence by increasing predictability, consistency, and objectivity of the oversight process, (3) improves the efficiency and effectiveness of regulatory oversight by focusing agency resources on aspects of performance that have the greatest impact on safe plant operations, and (4) reduces unnecessary burden on licensees as the process becomes more efficient and effective.

The staff has begun development of the specific criteria and metrics to evaluate the effectiveness of the transition and initial implementation of the RROP and plans to continue annual program evaluations. The results of this initial implementation and transition will be presented to the Commission in June 2001.

### R-10 Nuclear Energy Institute

Specific comment: The second strategy (respond to operational events) is not new. An element of this strategy could include an assessment of the staffing/training needs of Operations Center personnel at headquarters and the regions is warranted, given the demonstrated performance of licensees in EP exercises, simulator training, and actual events.

Response: The assessment of staffing/training needs to implement the strategies would be dealt with during development of the budget.

### R-11 Nuclear Energy Institute

Specific comment: The fourth strategy (*identify, evaluate and resolve safety issues*) lacks definition of a threshold criteria. Specifically, newly identified issues should be prioritized and scheduled based on an evaluation of the safety significance and cost/benefit involved in pursuing the activity.

Response: If an issue is identified as a Generic Safety Issue (GSI), the Management Directive covering that process specifically calls for prioritization of the issue, as high, medium, or drop, as a first step. Before pursuing any resolution that calls for licensee action, a cost/benefit analysis is done. A similar process is followed, including review by the Committee to Review Generic Requirements, for new safety issues not specifically added to the GSI program. The following sentence has been added to the accompanying paragraph in Part 2 after “...not well characterized” to recognize the NRC process for prioritizing issues relative to risk significance and cost/benefit analyses: “*Priorities for these activities will consider risk significance and cost/benefit analyses.*”

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### R-12 Nuclear Energy Institute

Specific comment: The fifth strategy (*ensure that changes to operating licenses and exemptions maintain safety*) is also not new. This has always been the strategy of the agency. How will this be measured?

Response: Successful implementation of the strategies help the NRC achieve the stated goals. Achievement of the strategic and performance goals are indicated by the identified strategic and performance goal measures. See R-14 for relationship of measures to strategies.

The rationale writeup for the strategy was enhanced by replacing the first sentence with: *“We will issue license amendments and approve license transfers for nuclear reactors only after determining that there is reasonable assurance that activities authorized can be conducted without endangering the health and safety of the public and the environment”*. This was done to ensure the rationale addresses the *“maintain safety”* aspect of the strategy.

### R-13 Nuclear Energy Institute

Specific comment: There is no mention of performance-based activities/metrics/target dates in the reactor arena.

Response: The staff published high-level guidelines on performance-based activities (65 Federal Register 3615) and conducted a public workshop on the subject of performance-based regulation on March 1, 2000. The staff is preparing a paper to the Commission, scheduled for August 2000, which will address implementation of the guidelines for performance-based activities and initiatives. When the Commission has provided direction to the staff on the recommendations in the forthcoming Commission paper, further elaboration of the intent of the strategy *“to develop...and use... where appropriate, less prescriptive performance-based regulatory approaches...”* will be in order.

### Reactor Maintain Safety Measures

### R-14 Nuclear Energy Institute

Specific comment: There should be a measure to assess results for each of the eight strategies identified that focuses on results achieved. Several of the strategies do not have a measure. It may be appropriate that a mix of measures applies to multiple strategies, but this should be made clear in the plan.

Response: Disagree that there should be a one to one correspondence between measures and strategies in this or any other strategic arena. Strategic goal measures indicate whether the NRC is achieving its strategic goals. Performance goal measures indicate whether the NRC is achieving its performance goals. Strategies describe how the NRC will achieve its performance goals, not what the NRC wants to achieve. Strategies link what the NRC wants to achieve (i.e., performance goals) to the key activities the NRC will conduct to achieve those goals. Additionally, neither OMB or GAO expects that an agency will have measures for each strategy.

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### R-15 NRC Employee

Specific comment: A performance measure related to the goal of “*Maintain Safety*” is that no more than one event per year will constitute a significant precursor (probability of a reactor accident greater than  $1E(-3)$ ). This measure is beneficial because it counters the notion that all events are equally bad. However, it may present difficulties because some may view it as being risk-based decision making as opposed to being risk-informed. Also, it is unclear how uncertainty factors would be considered. While a definitive solution to this problem is probably being sought, alternative measures should also be explored. I have a suggestion that is risk-informed and performance-based, and also addresses a significant (I believe) comment from a stakeholder. The comment from the stakeholder was to the effect that risk-informed regulation was akin to playing a slot machine, in which by pure chance, if a reactor event, equipment failure and operator error arrive at an unfortunate confluence, a reactor accident is bound to happen. The comment raised in my mind the question whether these are random variables or could they be correlated. A positive correlation would mean that the likelihood of equipment failure and human error would increase relative to the pure-chance level when an event occurs. This would raise safety concerns. A negative correlation could be taken to mean that the combination of human and equipment performance becomes more safety conscious during an event, thus mitigating the risk to some extent. The inference one might draw is that constantly learning from operational experience and training operators properly takes reactor operation away from a slot machine. We should be looking into development of a model which would enable us to input past operational data and answer the question as to which direction does a postulated correlation take.

Response: (A) Regulatory decisions are not contemplated based on the  $10^{-3}$  per year frequency. Rather, it is a trigger for a review of NRC processes to decide if the occurrence of such an event revealed deficiencies that should be corrected. Action taken by the NRC would depend on the outcome of the review. The event frequencies used in this measure are those determined using the Accident Sequence Precursor (ASP) Program. The current ASP Program analyses do not consider uncertainties. However, in the future, the analytical tools used in the ASP Program will have the capability to calculate the uncertainty in the result. (B) The Office of Nuclear Regulatory Research (RES) actually performs an evaluation similar to the one suggested by the commentator. Reports containing the review results are issued periodically (e.g., NUREG/CR-5500 and NUREG/CR-5750). RES reviews precursor events to determine a frequency based on operating data. Those frequencies are compared with the results of Probabilistic Risk Assessments, where randomness is assumed. Differences between the operating data and PRA results are reviewed to evaluate causes. Significant positive or negative correlations should be visible in the comparison.

### R-16 Some comments requested that the measure of “*No statistically significant adverse industry trends in safety performance*” be further explained.

Commission

Specific Comment: “*No statistically significant adverse trends.*” - If not already done, the staff should identify and document the reactor oversight program and accident sequence precursor

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parameters that will be evaluated for this metric. This should be completed within a reasonable timeframe related to the strategic plan period.

Nuclear Energy Institute

Specific comment: The second measure [No statistically significant adverse industry trends...] should be based on the extensive work in the new reactor oversight process to establish performance indicators with defined thresholds.

Response: The Reactor Oversight Process uses both performance indicators and inspection findings to evaluate each licensee's performance. Performance thresholds have been developed using risk insights and operational experience, and the significance of inspection findings is evaluated via the significance determination process (SDP). The resulting evaluations provide an objective, scrutable measurement of each plant's safety performance. This information can also be used to gather insights into industry-wide safety performance. The staff will produce an annual report using the Reactor Oversight Process performance indicators and inspection findings, and the annual ASP program results. Individual licensee performance, overall industry performance, and oversight program performance are key elements of this report.

Historically, the agency reported *industry-wide* safety performance in the annual Performance Indicator Report (e.g., NUREG-1187, Vol. 3, January 2000). In addition, the trends in the occurrence of Accident Sequence Precursors (ASP) were evaluated on an industry-wide basis and reported in NUREG/CR-4674 and the annual ASP program update to the Commission.

In the future, we will use the eighteen performance indicators from the reactor oversight process, along with the ASP results and other risk-related indications and findings in the evaluation of industry-wide safety performance. The results of this evaluation will be provided in an agency-developed report that describes the statistically significant and risk significant trends in industry performance. This report of industry trends will address performance indicators as well as trends from RES studies such as common-cause failures, initiating events, mitigating systems reliability, and other operating experience analyses. A process for converting plant-specific data into industry trends will be developed, as will methods, models, and thresholds for detecting statistically-significant adverse trends. Likewise, the appropriate time period for calculating the trend will be established to ensure that there is enough data available for trending and that a recent adverse trend is not masked by a long-term favorable trend. The thresholds for determining whether an industry trend is *risk* significant will also be established. They will be developed using a philosophy consistent with that used for both the Reactor Oversight Process and Regulatory Guide 1.174. The key results of the agency's assessment of statistically-significant adverse industry trends will be reported annually in the Performance Plan submitted to Congress.

The following endnote for this measure was added in the Strategic Plan Parts 1 and 2: *"The agency provides oversight of plant safety performance on a plant-specific basis as well as on an industry-wide basis. As a refinement to the existing process, the specific parameters and criteria for measuring statistically significant adverse trends in industry-wide safety performance will be developed. The parameters to be monitored will include NRC-approved performance indicators,*

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*inspection findings, accident sequence precursor results, and other risk-related indications or measures of industry safety performance that will be developed and qualified for use in phases.”*

### R-17 NRC Employee

Specific comment: Under Nuclear Reactor Safety the last measure to maintain safety, etc., should also specify an upper bound on the severity of the three releases [to the environment from nuclear reactors] that would be tolerated.

Response: The plan does not identify an upper bound on the severity of those releases that would be “tolerated” by the agency. Instead, the plan requires a review of the agency’s regulatory practices and licensee actions to determine whether corrective action is necessary to maintain safety when more than three such releases occur. The staff has identified a strategic goal measure of “*no events that result in releases of radioactive material from nuclear reactors causing an adverse impact on the environment*”. This measure provides an effective upper bound at the performance goal level before violating the strategic goal measure. The performance goal measure of “*no more than three releases per year to the environment of radioactive material from nuclear reactors that exceed the regulatory limits*” is based on regulatory limits which are referenced in endnote #13 of Part 1.

### R-18 Nuclear Energy Institute

Specific comment: “*No breakdowns of physical security...*” is not sufficiently defined. It appears that the evaluation of this measure will by necessity be entirely subjective. Objective measures should be established.

Response: The measure notes that the breakdowns are in accordance with abnormal occurrence criteria. The review involved with preparation of the Abnormal Occurrences report will keep the evaluation from being “entirely subjective.” The reference is to criterion I.C.4 of Appendix A, “*Abnormal Occurrence Criteria and Guidelines for Other Events of Interest,*” of NUREG-0090, “*Report to Congress on Abnormal Occurrences*” (recently, one volume has been issued for each fiscal year). This criterion is used to determine those events in this category of sufficient importance to be reported to Congress. Events that occurred in a fiscal year are proposed for consideration by the NRC staff, reviewed by a panel, and included in a draft of the report that is sent to the Commission for approval prior to publication.

## REACTOR PERFORMANCE GOAL: INCREASE PUBLIC CONFIDENCE

### R-19 Nuclear Energy Institute

Specific comment: If increasing public confidence is a key goal, the NRC first needs to be more thorough and complete in defining who the public is and secondly in assessing the public’s current perception of the agency. Basing public confidence on minority opinions of special interests is not in the best interest of the public at large and can serve to distort agency actions.

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Response: Agree, the public has already been defined very broadly in the draft Strategic Plan and includes the following groups: the general public, Congress, NRC licensees, other Federal agencies, States, Indian Tribes, local governments, industry, industry workers, technical societies, the international community, and citizen groups. Agree, public confidence will not be assessed based on minority opinions of special interests but on an assessment of our interactions with the public overall.

### Increase Public Confidence Strategies

#### **R-20** Nuclear Energy Institute

Specific comment: Strategy two [*“We will communicate more clearly...”*] should be revised to emphasize “candid and factual” elements of effective communication with stakeholders, without speculation and “what ifs.”

Response: Our objective in using the phrase *“present information in the proper context with respect to the risk of the activity”* is simply to present the information in a manner that is easily understood by the public. The words *“candid and factual”* have been added to the strategy as follows:

*We will communicate more clearly. We will add more focus, clarity, and consistency to our message, be timely, and present candid and factual information in the proper context with respect to the risk of the activity.*

### Increase Public Confidence Measures

#### **R-21** Nuclear Energy Institute

Specific comment: It is unclear how these measures [for public confidence] relate to each of the listed strategies.

As a performance measure the NRC should conduct a baseline assessment of current public opinion of the agency performance before ascertaining if, and in what areas, improvement is needed. This assessment should cover a broad cross section of the public and not be focused on special interest group opinions. Such an assessment would provide a baseline against which to measure the effectiveness of the strategies for this area.

The second performance measure is unclear (*“No more than (TBD) significant regulatory issues per year for which outreach activities were not conducted with the public in the vicinity of nuclear facilities.”*)

Response: The measures were all revised and detailed discussions regarding the new measures are in the general section paragraphs G-1b, c, and d. See R-14 regarding relationship of measures to strategies and R-19 regarding special interest group opinions.

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### REACTOR PERFORMANCE GOAL: EFFECTIVENESS, EFFICIENCY AND REALISM

- R-22** Some comments expressed the need to emphasize the processes to be improved and include measures (specifically regarding quality or timeliness) of NRC activities and processes. The revised version of the Strategic Plan includes conducting process improvements as a strategy and completion of these efforts as a measure.

Commission

Specific Comment: This section is silent on the “quality” of NRC actions or work products. I suggest that the staff consider discussing how it might increase or improve the quality of its work products (e.g., rule-making packages, licensing actions) since there is a direct correlation between the quality of products and the efficiency of NRC’s processes.

Specific comment: We should be able to state specific timeliness goals for: 1) rule-making; 2) resolution of generic safety issues; 3) exemption requests; 4) certain licensing actions (e.g., 10 CFR 20.2002 requests); and 4) enforcement actions.

Response: The draft Strategic Plan does not include timeliness and quality measures for specific activities. Instead, it includes a strategy “...to identify, prioritize, and modify processes based on effectiveness reviews to maximize opportunities to improve those processes” and a commitment to conduct two key process improvements each year as a measure of progress in this effort. This does not preclude the development of quality and timeliness standards for rulemaking, resolution of generic issues, exemption requests, certain licensing actions and enforcement actions and the tracking of specific outputs and activities against those standards in office operating plans and in the agency’s budget and performance plan.

### Efficiency, Effectiveness and Realism Strategies

- R-23** Nuclear Energy Institute

Specific comment: We suggest adding [a strategy]: “We will improve coordination and coherence between and among headquarters and the regions.” This would result in enhancing consistency in interactions with licensees and interpretations of regulatory requirements.

Response: Although we agree that coherence and coordination between headquarters and regions is necessary to achieve effectiveness and efficiency, we are not aware of problems that would cause it to rise to the level of a key strategy in the Strategic Plan.

- R-24** Nuclear Energy Institute

Specific comment: We suggest adding [a strategy]: “We will apply the principles and lessons learned from changes in the oversight process to the activities to risk-inform the regulations.” This will provide for efficiency and coherence between the oversight process and the regulations. The NRC and interested stakeholders have invested much effort to improve the safety focus of



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the oversight process; the concepts and principles apply equally to the regulations and do not need to be redeveloped by a different group within the agency.

Response: The narrative under the first strategy for the performance goal of reduce unnecessary regulatory burden that describes how we will utilize risk information and performance-based approaches to reduce unnecessary burden states: "*The scope and priority of changes in our regulatory processes will consider lessons learned from the revised reactor oversight program,.....*" Following the same principle we will modify the narrative under the 4<sup>th</sup> (last) strategy under the performance goal of Efficiency, Effectiveness, and Realism. After the third sentence in the narrative that says "*We will seek opportunities for improvements and continue to apply lessons learned*" the following is added: "*including that from the revised reactor oversight program and other risk-informed initiatives to improve the efficiency and effectiveness by bringing coherence among these programs.*"

### Efficiency, Effectiveness and Realism Measures

#### **R-25** Nuclear Energy Institute

Specific Comment: These measures should effectively relate to the listed strategies.

Response: See response to R-14.

#### **R-26** Nuclear Energy Institute

Specific comment: The goal for license renewal should be one for continuous improvement to incorporate lessons learned from the first two applications with the objective of shortening the 30-month targeted schedule.

Response: At this time, we do not believe that the 30-month target should be changed based on the completion of the first two applications. However, the following was added to the end of the rationale paragraph for the license renewal application reviews measure: "*The NRC will continue to gain experience and seek efficiencies where possible to improve on future schedules.*"

### REACTOR PERFORMANCE GOAL: REDUCE UNNECESSARY REGULATORY BURDEN

#### **R-27** NRC Employee

Specific comment: The logic that "*By reducing unnecessary regulatory burden, both NRC and Licensee resources become available to more effectively focus on safety issues,*" is incomplete and may be unrealistic. Nuclear reactor licensees, for the most part, are businesses that are in business to make money. While it is conceptually possible that licensees would use reduced regulatory burdens to more effectively focus on safety, in today's intensely competitive climate, another likely scenario would be reduced operating costs used to increase profits or to re-invest in non-safety aspects of the business. The NRC has used attrition to meet pressures to reduce its budget and human resources. Reduced regulatory burden may also be used to justify not replacing staff.

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Response: Agree there indeed is a potential that the resources that become available may not be applied to more effectively focus on safety issues. Examples of recent initiatives relating to the unnecessary regulatory burden goal have been added to the rationale writeup for the goal. The first paragraph, first sentence was changed to read as follows: *"By reducing unnecessary regulatory burden, both NRC and licensee resources **may** become available **thus providing the opportunity** to more effectively focus on safety issues."* After the second sentence that ends with *"will be protected"* the following was added: *"For example, recent risk-informed initiatives for inspection and testing (ISI and IST) have allowed the licensees to more directly focus resources on the high risk significant systems and components, and reduce the attention on low risk-significant systems and components thereby contributing to safety and improving effectiveness."* At the end of the second paragraph the following was added: *"Reduction in unnecessary regulatory burden may contribute to the NRC effectiveness and efficiency by allowing more focus on safety and risk-significant issues. For example, the new reactor oversight process is allowing more effective staff focus on safety significant issues related to licensee performance."*

### Reactor Reduce Unnecessary Regulatory Burden Strategies

#### **R-28** Nuclear Energy Institute

Specific Comment: For strategy one, there needs to be internal training on the attributes of performance-based regulation. There is not a uniform understanding within the agency.

Response: We agree there should be a common understanding within the NRC on how "performance-based" concepts apply to various NRC functions. To support this common understanding within the NRC, the Commission issued a white paper that defines the term and the Commission expectations regarding performance-based regulation in March 1999 (Yellow Announcement 19). We will monitor staff's understanding of performance-based concepts as a part of our ongoing communications efforts with staff and interactions with stakeholders. Also see response to R-14.

#### **R-29** Nuclear Energy Institute

Specific comment: Strategy two [*"We will improve and execute our programs and processes ..."*] needs to include the development of a structured process for improving programs. The process needs to include a section on management expectations and feedback mechanisms for determining if management direction is being carried out.

Response: As noted in the third strategy for increasing public confidence [Strategic Plan Part 2, pgs 6-7], the NRC is implementing a disciplined, integrated framework known as the Planning, Budgeting and Performance Management (PBPM) process to implement performance management throughout the agency. There are four elements to the PBPM process including (1) setting the strategic direction and performance expectations for the organization; (2) determining the programs, resources and planned accomplishments to meet the expectations; (3) measuring and monitoring performance against the established expectations; and (4) assessing performance.

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The key tool being used to measure performance is the office operating plan which is a multi-layered annual plan, which captures performance information and associated resources at varying degrees of detail. Performance progress is tracked in the operating plan against performance targets (performance measures and metrics) that are tiered to link to the performance goals and measures contained in the strategic plan. The performance information contained in the operating plan is used for performance reviews conducted at different levels within the agency. For example, NRR is currently piloting a performance management and oversight process. Monthly management reviews of performance data including resource expenditures, progress against performance plan measures, other outputs, inventory levels, timeliness of products and labor rates are conducted to identify significant variances and determine actions to address out-of-standard conditions. When NRR management sees variances such as an increased trend in an inventory level or a significant difference between actual and budgeted resources, they evaluate the out-of-standard condition and take corrective action where necessary to return to standard.

The information derived from the various performance reviews is also used for the Government Performance and Results Act-required annual Performance Report to Congress. In addition, with the performance information available from the operating plan and agency performance reviews, the NRC can identify program evaluations or assessments of programs and other activities to pursue. The criteria used to identify candidates for program evaluations include (1) significant deviations from performance goals; (2) changes to the environment (e.g., regulated community, resources, technology, workload, processes) or management expectations dictate a major rethinking of the program; and (3) program successes the understanding of which may prove beneficial to other NRC programs. The results of this effort will feed back into the strategic direction setting component of PBPM as part of the continuous performance management cycle.

### **R-30** Nuclear Energy Institute

Specific comment: The third strategy [*“We will improve our reactor oversight program...”*] should include the requirement to re-assess resources applied to the reactor oversight as the new program is implemented.

Response: As part of initial implementation of the revised reactor oversight process (RROP), the NRC has developed detailed guidance for all staff to document and track the NRC resources expended to implement the RROP. This guidance was effective upon initial industry-wide implementation on April 2, 2000.

To determine if the RROP increases efficiency and effectiveness and reduces unnecessary regulatory burden, the staff is currently developing criteria and metrics for the assessment of initial implementation of the RROP. The criteria contain specific measures to determine, for example: if the resources expended in the RROP are appropriate, less than the previous program and better utilized; if inspections are scheduled in a way that minimizes burden by coordination with licensee schedules and combining inspection procedures; if the RROP results in any unintended consequences to licensees; if there are other methods of gathering information in lieu of inspections; and if inspection hours, scope and frequency in the RROP are appropriate.

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The information will be gathered and analyzed during the first year as the program is implemented to support any decisions related to resources applied to the RROP.

### Reactor Reduce Unnecessary Regulatory Burden Measures

#### **R-31** Nuclear Energy Institute

Specific comment: Obvious measures include inspection hours and trends in Part 170 inspection fees. Total NRC fees should also be trended to ensure that budgeted, but later determined to be unnecessary regulatory activities do not result in charges just being re-allocated to other fee categories.

Response: Disagree that fees should be a measure for Reducing Unnecessary Regulatory Burden. The NRC believes that fees should not be a primary factor in determining the work to be performed in response to NRC's health and safety mission nor should they be considered a primary factor in identifying unnecessary burden on licensees. The law requires NRC to collect approximately 100 percent of its budget from fees. The agency develops a schedule of fees to be charged through a rule published in the Federal Register and involves a comprehensive review process both internally and externally. The schedule of fee charges for both Part 170 fees for services and Part 171 annual fees is based on the appropriation that NRC receives from Congress. Each year the NRC proposes to OMB and Congress the regulatory activities that should or should not be funded in support of its mission and plans. If a regulatory activity is determined to be unnecessary, its costs are not automatically reallocated to other activities. Likewise, if the agency does not perform projected inspections, licence reviews, or other Part 170 fee billable services, the agency does not shift the burden to Part 171 annual fees.

#### **R-32** Nuclear Energy Institute

Specific comment: The only measure listed refers to a “forthcoming plan,” This needs to be defined with objective, quantifiable measures to assess results (*“Complete on time at least 95 percent of the reactor milestones identified in a forthcoming plan to reduce unnecessary regulatory burden.”*)

Response: Agree, the measure has been modified and a rational paragraph has been added to the revised Strategic Plan which explains that the NRC will be developing criteria for the choice of specific milestones to reduce unnecessary burden each year and that these milestones will be identified each year in the annual Performance Plan (see response G-1b in General section).

#### **R-33** Nuclear Energy Institute

Specific Comment: Another measure could involve Requests for Additional Information (RAI) associated with the license renewal process being reviewed by management to ensure they reflect a focus on matters related to ensuring safe operation during the period of extended operation.

Response: Disagree. The addition of such a measure could confuse the staff because the need for discipline in staff requests for additional information and management oversight of staff reviews

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is not unique to license renewal but is common to all reviews performed by the staff. For license renewal as well as other licensing activities, the NRC management recognizes its responsibility and will continue to provide control over the process as part of its line management function. Detailed guidance for staff review of license renewal applications which will further focus the staff's review is being developed in the standard review plan and regulatory guide for license renewal.

### **R-34 Commission**

Specific Comment: Neither the measure listed nor the details in the Appendix to the Strategic Plan adequately identify what "plan" is being referred to in this sentence. If the plan is not yet developed it would be better to set as the first goal the development of the plan by a given date and as a second goal the meeting of milestones in the yet to be developed plan.

Response: See General section comment G-1b for the revised version of this measure and rationale.

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### Nuclear Materials Safety Arena

#### MATERIALS STRATEGIC GOAL

##### **M-1** Commission

**Specific comment:** During final development of the strategic plan, staff should consider the following: a. The term “regulatory framework” is used in a number of the strategies. Consideration should be given to clarifying what is meant by this term.

**Response:** Staff has clarified the term in the revised Strategic Plan. The following endnote has been added to Parts 1 and 2 for both the Nuclear Materials Safety and Nuclear Waste Safety arenas:

*Endnote: In this context, the regulatory framework consists of several interrelated aspects. They are: 1) the NRC’s mandate from the Congress in the form of enabling legislation; 2) the NRC’s rules in Title 10 of the Code of Federal Regulations; 3) the regulatory guides and review plans that amplify those regulations; 4) the body of technical information, obtained from research performed by the NRC or by others and from evaluation of operational experience, that supports the positions in the rules and guides and review plans; 5) the licensing and inspection procedures utilized by the staff; and 6) the enforcement guidance.*

#### MATERIAL PERFORMANCE GOAL: MAINTAIN SAFETY

##### **M-2** Commission

**Specific Comment:** At the recent State Liaison Meeting held at NRC Headquarters, some State representatives indicated an interest in having NRC give them an early “heads up” in cases where potential license applicants or licensees introduce a new technology that may have an impact on a State’s regulatory program (e.g., the manufacturing of a new medical device or sealed source). I suggest that the staff modify this performance goal to recognize the need for NRC to determine on a case-by-case basis when early notification of the States is warranted.

**Response:** Staff has added narrative to the revised Strategic Plan to recognize that need in the discussion of the safety performance goal.

#### Material Maintain Safety Strategies

##### **M-3** Commission

**Specific Comment:** “We will confirm that licensees understand and carry out their primary responsibility for conducting activities consistent with the regular framework”. The discussion that follows focuses solely on the staff’s approach to inspecting licensed activities. While I agree that inspection results can be a clear indicator of a licensee’s understanding of their

## Analysis of Comments Received on the Draft Strategic Plan

responsibility, it is not true in all cases. The staff should consider soliciting input from stakeholders on what other measures might be used by NRC from the time of application through licensing and inspection to address this strategy.

Response: The Federal Register Notice published on March 3, 2000 (Vol. 65, No. 43) requested stakeholder comments on several issues, including whether the performance measures indicate whether we are achieving our goals, especially for those measures where specific metrics have yet to be proposed. After review of the comments from stakeholders, the staff did not identify any additional measures that might be used to indicate licensees' understanding of their responsibilities after licensing and so we will still rely on inspections of licensees' activities. Our efforts *"...to continue to authorize licensees' activities only after determining that these proposed activities will be conducted consistent within the regulatory framework"* are intended to establish a reasonable assurance that licensees (or applicants) understand their responsibilities.

### M-4 State of Colorado

Specific Comment: While the strategies and the metrics are reasonable, the two are not linked. How will NRC determine if a strategy is working, and how much it contributes to the overall metrics?

Response: The strategies are intended to be implemented collectively. In fact, some strategies may contribute to more than one metric, and others may contribute to one metric. It may not be possible to determine the individual contribution of a particular strategy to the related metrics. This is one of the challenges we face as we begin to implement the plan. However, as we monitor our performance against each of the new measures and metrics, we will adjust our strategies accordingly if it becomes obvious that some are less effective than other.

### Material Maintain Safety Measures

### M-5 Commission

Specific Comment: Given that actual performance in FY 1999 was 188, the metric (<356 losses) appears inappropriately high. The staff should consider lowering the metric target ("No more than 356 losses of control of licenses material per year").

Response: The specific metrics were developed using statistical methods and event data from NRC and Agreement States, for those years from which voluntary commitments to report the data under comparable reporting requirements were in effect. The levels have been set after consideration of historical performance to take into account the randomness of events whereby failure to meet the metrics would prompt a reevaluation of the NRC's regulatory practices. Operations above the performance metric may trigger self assessments to determine whether safety is declining so that programmatic changes can be implemented before the strategic goals are compromised. The metrics have been rounded and the endnotes have been modified.

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### M-6 NRC Employee

Specific Comment: Under Nuclear Materials Safety for maintaining safety, etc., the choice of exceeding the 99<sup>th</sup> percentile of the specified events to be the threshold for systematic improvements is a statement in itself. This approach could be misinterpreted as little interest to improve.

Response: The choice of about a 99<sup>th</sup> percentile should be interpreted as a desire to maintain, not to improve, the existing level of safety. The derivation of the metric reflects our conviction that the existing level of safety is protecting the public health and the environment. The metrics have been rounded and the endnotes have been modified (see response to M-5).

### M-7 State of Colorado

Specific Comments: The number of contaminated acres and contaminated sites that have been remediated for unrestricted release would reflect activities to improve the environment. Sureties should be tracked. As some sureties may not (be) adequate to remediate a licensee's facility, a useful metric could be the amount of unfunded liability.

Response: For now, NRC has decided not to adopt additional safety measures. The current group of seven performance level measures was developed to provide early indicators of areas that could impact our strategic level goals and measures. The staff believes it is sufficient at this time.

### M-8 State of Colorado

Specific Comment: The definition of illness should be modified. It currently relates to permanent health effects. Does this mean that if radiation causes a curable cancer, it is not important to track because it is not permanent?

Response: In the medical use area, we agree that the definitions are difficult. Therefore, we deleted the definition of illness prior to the release of draft NUREG-1614. We arrived at the current measures with the intention of establishing goals at two levels. At the strategic level, we still include a metric on "*significant exposures*" which we define to be those that result in unintended permanent functional damage to an organ or a physiological system as determined by a physician. Performance goal measures are based on events exceeding the limits provided in 10 CFR Part 20, which will encompass levels as requested by the commentator.

### M-9 State of Colorado

Specific Comment: Adverse impacts are defined in relation to dose. Because unauthorized releases of materials can have an economic impact, e.g. steel mills, there should also be an economic impact that is measured.

Response: The staff disagrees with this comment. Our regulatory framework is based on dose limits. In addition, it would be very difficult to verify and validate the economic impacts.



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### M-10 Commission

Comment: The performance measure of “zero” accidental criticalities should be deleted. Criticality, even if unintended, is merely an occurrence that may or may not have public health and safety or environmental consequences. The agency’s focus should instead be on the consequences of such events, and the draft plan already contains sufficient performance measures to address such consequences.

Response: The staff believes in keeping this measure since the occurrence of a criticality has a major impact on agency operations, regardless of whether there are significant public health and safety consequences. Identification of this as a measure gives it the appropriate visibility for both internal and external stakeholders. No changes have been made.

### M-11 Commission

Specific Comment: From the data provided, it appears that the metrics reflect the status quo. I would hope that full implementation of the Strategies would result in a downward trend of reportable events, overexposures, releases, etc. Therefore, the staff should consider reducing these numbers.

Specific comment: I will give the staff credit for developing some specific standards under the performance goal “*maintain safety and safeguards*”. However, my impression of these specific metrics is that they represent numbers bounding reality rather than goals for improvement. For example, the goal of reporting to Congress less than or equal to 300 losses of licensed material annually appears to be set a 300 because we reported 272 losses in FY 1998. A similar analysis could be provided for the other metrics for this area. The question could be raised that since approximately 300 devices are being lost per year, why isn’t the “goal” to reduce this number to less than or equal to 150 (or come other appropriate lower value). The reason, I believe, goes back to my previous comment that the metrics are an all or nothing mentality. Instead of being goals which we are striving for, they are goals which must be met or we have failed to metric. Also, the specific goals listed may be good operational goals, but do they reflect a long range strategic goal?

Response: Disagree that the specific performance metrics for maintaining safety should project decreases or improvements over time. The choice of these metrics reflect staff’s determination to maintain, not to improve, the existing level of safety. The derivation of these metrics reflects our conviction that the existing level of safety is protecting public health and the environment. The specific metrics were developed using statistical methods and event data from NRC and Agreement States, for those years from which voluntary commitments to report the data under comparable reporting requirements were in effect. The levels have been set after consideration of historical performance to take into account the randomness of events whereby failure to meet the metrics would prompt a reevaluation of the NRC’s regulatory practices. Operations above the performance metric may trigger self assessments to determine whether safety is declining so that programmatic changes can be implemented before the strategic goals are compromised. The metrics have been rounded and the endnotes have been modified.

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### **M-12 Commission**

Specific Comment: Make clear if the measure for the number of losses of control of licensed material is an annual expectation. Neither the measure nor the endnote are clear on this aspect of how numerical value was select. Also, rather an odd number to select. Should it be rounded to the nearest significant number. There are other measures that are also not clear on the time period being address nor the basis for the number being used.

Response: Staff clarified whether any measures in the Strategic Plan were annual and made revisions to the Strategic Plan as appropriate. Safety measures for materials have been rounded and the endnote has been modified in the revised Strategic Plan (see response to M-5).

### **MATERIAL PERFORMANCE GOAL: INCREASE PUBLIC CONFIDENCE**

### **M-13 Commission**

Specific Comment: Consistent with the draft Reactor Safety Chapter, the staff should consider adding specific measures for outreach activities and timeliness of responding to allegations, FOIAs, correspondence and 10 CFR 2.206 petitions.

Response: Measures and metrics for the Nuclear Reactor Safety, Nuclear Materials Safety, and Nuclear Waste Safety chapters had been harmonized prior to releasing the draft Strategic Plan to the public. A measure was added to all three chapters for outreach activities and further refined in the revised Strategic Plan (see response to G-1d.) A measure was added and further refined in the revised Strategic Plan to measure the effectiveness of the allegation program and the timeliness of Director's Decisions for 10CFR2.206 petitions (see response to 1.b and 1.e). Measures relating to FOIAs and correspondence were not added to the Strategic Plan because they did not rise to the level of strategic measures but FOIAs and correspondence would continue to be tracked internally.

### **M-14 State of Colorado**

Specific Comment: NRC should use a survey to benchmark public confidence. Without one, NRC does not know if it has public trust, or if it has to take actions to gain public trust and improve its operations.

Response: Rather than using a survey to benchmark public confidence, the staff is developing an approach that will monitor changes and trends in public confidence based on a feedback form that will request comments as part of selected interactions with external stakeholders. The staff intends to work with a contractor to develop an appropriate feedback form and to collect and evaluate the responses. The staff believes that the combination of being more proactive in interacting with external stakeholders, improving our interactions with these stakeholders, improving our responsiveness to stakeholders concerns, and systematically monitoring feedback, will allow the staff to assess changes and trends in public confidence (see response to G-1c).

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### **MATERIAL PERFORMANCE GOAL: MAKE NRC ACTIVITIES AND DECISIONS MORE EFFECTIVE, EFFICIENT, AND REALISTIC**

#### **Material Efficiency, Effectiveness and Realism Measures**

##### **M-15 State of Colorado**

Specific Comment: Colorado suggests a word change (*need a parenthetical!!*) to the text on having a National Materials Program. This activity is so important and far-reaching, that it deserves a metric. It should be a measure of the OAS concurrence on priorities, policies, and regulations. Since the Plan is a 5 year document, it should measure progress toward the National Materials Program.

Response: Staff agreed to the word change and the change had been made to Parts 1 and 2 prior to the release of the draft plan. With respect to adding the metric, staff disagrees. The National Materials Program contributes to the achievement of two performance goals and does not in and of itself warrant a separate performance measure. The staff has modified the revised Strategic Plan to identify the National Materials Program for a program evaluation to consider: *(1) the changing external environment, (2) accommodation of Federal and State strategic performance goals and outcomes under a national materials program, and (3) use of an evaluation process that could be used to measure performance.*

### **MATERIAL PERFORMANCE GOAL: REDUCE UNNECESSARY REGULATORY BURDEN**

#### **Material Reduce Unnecessary Regulatory Burden Measures**

##### **M-16 State of Colorado**

Specific Comment: Measure 2 will track concerns that resulted in unnecessary burden to non-licensee stakeholders. This is a valid measure. However, NRC needs to be careful to track all valid concerns. For example, a valid concern could be increased exposure to the public resulting from the release of therapy patients. While the NRC conducted a cost-benefit analysis as part of its regulations to allow the increased dose, this increased dose could still be tracked and reported upon.

Response: Staff has combined the first two measures into a single measure in the revised Strategic Plan, *“no more than one substantiated case of unnecessary regulatory burden per year, resulting from modification or application of the materials arena regulatory framework as identified by a licensee or an on-licensee external stakeholder”*. The measure is for unnecessary regulatory burdens and not for burdens in general. The comment is suggesting tracking a dose which the comment identifies as a burden and not a regulatory burden. Rule-making should be the avenue pursued by the state for implementing the recommended dose tracking.

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### M-17 Commission

Specific Comment: It stands out that the Materials Arena has a very specific paperwork reduction goal under reducing regulatory burden (see page 18), but similar paperwork reduction measures do not appear in the Waste (page 24) or Reactor (page 12) arenas where reducing regulatory burden is discussed. Even if the goals are not the same across arenas, paperwork reduction as we begin to allow electronic filing and we look at risk information our regulations should be reflected to some degree in all these arenas.

Response: A specific paperwork reduction metric was identified for the Materials arena to specifically monitor our progress in reducing reporting requirements to a level that is more commensurate with the hazard involved with the use of nuclear materials by this group of licensees. We expect significant savings due to the number of impacted licensees and the potential to reduce record keeping requirements. The Office of Nuclear Materials Safety and Safeguards has already made progress in this area in the changes proposed for Part 35. A similar measure was not identified for the Nuclear Waste Safety arena since there are no comparable reporting requirements in place. A similar measure for the Nuclear Reactor Safety arena is not needed because initiatives to reduce record keeping have been incorporated in several previous revisions to regulations, such as Parts 50 and 52.

### M-18 Commission

Specific Comment: On page 18 (Nuclear Materials Safety) and page 24 (Nuclear Waste Safety), the first two measures collectively state that “*no more than (TBD) valid concerns per year*” will occur “*where NRC regulatory activities have resulted in unnecessary burden to licensees*” and “*non-license stakeholders*”. These two measures are vague and very subjective. The written description in volume 2 does not provide standards for determining if an issue is a valid concern or creates an unreasonable burden. I can easily contemplate issues where reasonable people can disagree if an issue is a valid concern and/or an unreasonable burden. The staff should develop some non-subjective or less-subjective standard for this measure. Either the measure needs to be changed or the discussion in volume 2 needs to be amplified.

Response: Staff has combined the first two measures into a single measure in the revised Strategic Plan, “*no more than one substantiated case of unnecessary regulatory burden per year, resulting from modification or application of the Materials arena regulatory framework as identified by a licensee or a non-licensee external stakeholder*”. Additional clarification for this measure has been provided in the rationale paragraphs in Part 2 (see response to G-1b).

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## Nuclear Waste Safety Arena

### WASTE STRATEGIC GOAL

#### **W-1** Envirocare of Utah, Inc.

Specific Comment: As the primary regulatory body for fuel cycle activities, NRC should ensure proper regulation of byproduct, source, and special nuclear materials. NRC's regulations currently exempt some radioactive waste that has been shown in NRC's own studies to pose the potential for public radiation dose to individuals up to 4,000 mrem/yr with a corresponding public dose to a population of up to 20,000 person-rem. These results were published by the NRC in NUREG-1717. In order to fulfill its mission to protect public health and safety, NRC should establish a policy to require regulation of these types of radioactive waste (wastes that are currently exempt yet pose significant public radiation risks) until NRC can promulgate regulations for them.

Response: On March 9, 2000, the Commission issued a Staff Requirements Memorandum for SECY-99-259, directing the staff to initiate the development of a proposed rule to amend 40.51(b)(3) and (4). These provisions allow the transfer of unimportant quantities of source material to persons exempted from licensing. In reaching this decision, the Commission considered the broad range of issues and options identified in SECY-99-259, and decided that development of proposed rule was the appropriate action to take. The proposed rule will be published for public comment.

The 4 rem/yr dose and collective doses reported in NUREG-1717 are hypothetical doses based on a number of conservative assumptions, such as continuous, non-stop exposures of a worker to high levels of fine dust while processing zircon flour, and without the use of respiratory equipment. This dose is also within the dose limit for workers prescribed in the commenter's license for disposal of radioactive materials. The dose to members of the public offsite reported in NUREG-1717 is estimated to be a fraction of a mrem/year up to 10 mrem/yr. Finally, pending the development of the rule, the staff's current position is that it expects to approve transfers of these kinds of materials that will result in individual doses that do not exceed 100 mrem/yr.

#### **W-2** Envirocare of Utah, Inc.

Specific Comment: With regard to cross-cutting activities with the U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Energy ("DOE"), the NRC should consider filling a regulatory role. Increasingly, FUSRAP waste, legacy waste from the fuel cycle, has been targeted for disposal at EPA-regulated facilities. As the primary regulatory body for fuel cycle activities and associated waste, NRC should ensure that such radioactive waste is regulated within this primary agency to ensure protection of public health and the environment.

Response: NRC agrees that efforts are needed to more rationally address the risks associated with these kinds of wastes and others. On March 9, 2000, the Commission, in a Staff Requirements Memorandum for SECY-99-259, directed the staff to initiate interaction with EPA,

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OSHA, the Army Corps of Engineers (because of its responsibility for the FUSRAP sites), DOE, DOT, and DOI to explore the best approach to delineate the responsibilities of NRC and those agencies with regard to low-level source material, or materials containing less than 0.05% uranium and/or thorium. Many of these materials originate from the programs the commentator has identified, and some are disposed of in EPA-regulated RCRA. NRC has not concluded that it must regulate the disposal of all of these materials, but will explore the best approach in consultation with these other agencies.

### **WASTE PERFORMANCE GOAL: MAINTAIN SAFETY, PROTECTION OF THE ENVIRONMENT, AND THE COMMON DEFENSE AND SECURITY**

#### **Maintain Safety Strategies**

##### **W-3 Commission**

Specific Comment: The discussion that follows focuses solely on the staff's approach to inspecting licensed activities. While I agree that inspection results can be a clear indicator of a licensee's understanding of their responsibility, it is not true in all cases. The staff should consider soliciting input from stakeholders on what other measures might be used by NRC from the time of application through licensing and inspection to address this strategy.

Response: The Federal Register Notice published on March 3, 2000 (Vol. 65, No. 43) requested stakeholder comments on several issues, including whether the performance measures indicate whether we are achieving our goals, especially for those measures where specific metrics have yet to be proposed. After review of the comments from stakeholders, the staff did not identify any additional measures that might be used to indicate a licensee's understanding of their responsibilities after licensing and so we will still rely on inspections of licensee's activities and review of licensee's reports of events and operations as required to be submitted under regulations and license. Our efforts "*...to continue to authorize licensee's activities only after determining that these proposed activities will be conducted consistent within the regulatory framework*" are intended to establish a reasonable assurance that licensee (or applicants) understand their responsibilities.

### **WASTE PERFORMANCE GOAL: INCREASE PUBLIC CONFIDENCE**

##### **W-4 State of Nevada**

Specific Comment: The draft Plan states that "*the public means a diverse group of stakeholders who are affected by or who affect NRC's programs in this arena. Stakeholders include Congress, the NRC and Agreement State licensees, other Federal agencies, States, Indian Tribes, local governments, industry, the industry workers, the international community, citizen groups, and rate payers.*" While this definition of the term "public" appears inclusive, it does not specifically reference the general public. These are people for whom the assurance of safety is ultimately intended - the people who live in communities proximate to nuclear waste facilities; people who share the highways or come into contact with railways where nuclear waste is being transported; people who are not members of Congress, the nuclear industry or industry workers,

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or perhaps not even ratepayers. In short, NRC should not forget that its ultimate responsibility is to protect the health and safety of the general public, not just specific stakeholder groups no matter how inclusive that listing of groups might be.

Response: Agree that our mission is to protect the health and safety of the general public, not just specific stakeholder groups. In the original context, the term “rate payers” was intended as a synonym for the general public. However, to emphasize the commentator’s point, a specific reference to the “*general public*” has been inserted into the revised Strategic Plan, Parts 1 and 2. This point is further reiterated in our strategies where the agency intends to listen to all interested parties, that is, all interested individuals.

### Increase Public Confidence Strategies and Measures

#### W-5 State of Nevada

Specific Comment: As we noted in our 1996 comments on the Strategic Assessment document, insuring public confidence in the transportation spent fuel and high-level waste requires NRC to reevaluate its position on three critical issues: full-scale physical testing of shipping casks, the use of probabilistic risk assessment in transportation risk analyses, and the vulnerability of spent fuel and HLW shipments to sabotage and/or terrorist attack.

Specific Comment: Nevada continues to believe that the best and only way to increase public confidence in the safety of nuclear waste facilities and activities is for implementing and regulatory agencies to go beyond what may be minimally required and take steps to demonstrate that public health and safety are paramount concerns to the responsible federal agencies. In this regard, Nevada strongly recommends that NRC move expeditiously to require full scale compliance testing of all transportation containers for spent fuel and high-level radioactive waste, and that appropriate testing requirements be put in place for shipping containers for other forms of radioactive waste.

Response: No changes have been made to the plan. The staff feels that issues concerning cask testing and the use of probabilistic risk assessment more appropriately should be addressed in an implementation plan. The vulnerability of shipments to sabotage or terrorist attacks is monitored by a measure to monitor safety. Appropriate program offices have actions and activities planned that deal with the first two identified issues which will involve public participation in noticed meetings. Specifically, the Spent Fuel Project Office held meetings in November and December 1999 (December meetings were held in Nevada) and is planning to hold public meetings in the Summer 2000 to discuss comments on the Package Performance Study (PPS) which deals with an evaluation of severe accident scenarios associated with the shipment of spent nuclear fuel. These public meetings in Summer 2000 will also discuss the recently issued NUREG/CR-6672, “Reexamination of Spent Fuel Shipment Risk Estimates.” These meetings are being held to establish public awareness and to solicit public input on the staff plans to address the two issues listed in the comment.

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### WASTE PERFORMANCE GOAL: MAKE NRC ACTIVITIES AND DECISIONS MORE EFFECTIVE, EFFICIENT, AND REALISTIC

#### Efficiency, Effectiveness and Realism Measures

**W-6** Both comments below are concerned with pre-licensing reviews and consultations.

State of Nevada

Specific Comment: The draft Plan states that, “[w]ith respect to the High Level Waste Program, the NRC is applying a regulatory framework to pre-licensing reviews and consultations with the Department of Energy (DOE) to resolve issues most important to repository safety and preparing to address the licensing phase of this process if the President and Congressional decisions are made regarding site approval and a license application is submitted.”

The State of Nevada reiterates its concern that pre-licensing interactions must not proceed beyond the “informal conference” provided for in 10 CFR Part 60. As we stated in response to the NRC Strategic Assessment in 1996, the Commission’s activities relative to the high-level waste program include pre-licensing interactions with DOE, are limited by 10 CFR 60 to only “informal conference” between the prospective applicant and the NRC Staff, and must not involve not binding resolution of any licensing issues. This serves to reinforce to the public, as it should, the independence and objectivity of the Commission as a regulator of the repository program.

Clark County, Nevada

Specific Comment: The draft plan states that “-consultations with the Department of Energy (DOE) to resolve issues most important.” Clark County believes that the pre-licensing consultation phase between the DOE and the NRC should comprise more than information sharing. Issues that will impact a license application cannot totally be resolved at the present time. Clark County feels that *resolve* is too strong a word to use in this context.

Response: The staff agrees with both of the above comments that our prelicensing reviews and consultations should not proceed beyond the “informal conference” between the prospective applicant (DOE) and the staff provided by 10 CFR Part 60. This is consistent with the understanding we have had for many years with DOE, the State of Nevada, and others that our ongoing issue resolution process during the prelicensing period is to resolve issues only at the staff level and that these issues, therefore, can be raised during the licensing process. This important distinction was incorporated into our measure for the Effectiveness, Efficiency, and Realism Performance Goal as a footnote in Part 1 and in the measure itself in Part 2. However, we did not incorporate the phrase at the staff level in the few other places that issue resolution was discussed for the high-level waste repository program.

The staff has included this phrase in the revised Strategic Plan on those places where it is missing so that we consistently recognize this important distinction throughout the plan. In



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addition, the following endnote has been added to Part 2: *“Resolving issues at the staff level is consistent with our regulation, which explains that prelicensing activities such as this constitute informal conference between a prospective applicant and the staff and are not part of a potential licensing proceeding. Furthermore, resolution means that the staff has no further questions at a particular time, but recognizes that new information could lead the staff to reevaluate the issue.”*

### W-7 State of Nevada

Specific Comment: The final bullet relating to measures NRC will employ to meet this goal states that NRC will *“Complete all major prelicensing milestones needed to prepare for a licensing review of the Yucca Mountain repository, consistent with DOE’s schedules and before DOE submits its license application.”* Such pre-licensing milestones must not involve more than the “informal conference” interactions referred to above. In addition, the wording for this measure should be revised to indicate that NRC’s actions will be *“...consistent with public safety and the public interest and DOE’s schedules and before DOE submits its license application.”* NRC should not, in any way, allow considerations of schedule to compromise or appear to compromise its public protection mission.

Response: We agree with the State of Nevada’s comment that we should not allow considerations of schedule to compromise or appear to compromise our mission. Staff has modified the rationale paragraph in Part 2 to emphasize this point by referring to the completion of prelicensing milestones *“without diminishing our focus on safety in preparing for a licensing review.”*

## PERFORMANCE GOAL: REDUCE UNNECESSARY REGULATORY BURDEN

### W-8 State of Nevada

Specific Comment: Page 23-Nuclear Waste Safety (Performance Goal: *Reduce unnecessary regulatory burden on stakeholders*). Comment: In the first paragraph dealing with performance goal, the draft Plan defines “unnecessary regulatory burden” as *“a set of regulatory licensing information and analysis requirements that goes beyond what is necessary and sufficient for providing reasonable assurance that public health and safety, the environment, and the common defense and security will be protected”*. It is not at all clear that “reasonable assurance” is an appropriate standard for the protection of the public from the health, safety, and environmental dangers posed by nuclear waste storage, handling, transportation, and disposal. The public expects that NRC will assure its protection from the hazards posed by nuclear activities and nuclear waste activities in particular. What is reasonable to NRC might be seen as wholly inadequate by the “public” affected by specific nuclear waste activities. This term need to be better defined or simply replaced with NRC’s assurance that public health, safety, and the environment will be protected. Whatever regulatory burden is required to make that assurance is the appropriate level of regulation.

Response: There are several reasons why the NRC will continue to use “reasonable assurance” instead of “assurance” as proposed by this comment. First, the NRC has effectively used

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“reasonable assurance” in licensing a variety of atomic energy activities. The reasonable assurance standard is derived from the finding the Commission is required to make under the Atomic Energy Act that the licensed activity provide “adequate protection” to the health and safety of the public; the Commission’s approach has been upheld by the Supreme Court. The Congress and Courts have recognized that for complex technologies with large uncertainties, absolute assurance or certainty is not to be had in the ordinary sense of those terms. Second, this standard has been a fundamental element of the existing regulations for geologic repository waste disposal (10 CFR Part 60) for about 20 years and has been incorporated into the proposed rulemaking for Yucca Mountain (10 CFR Part 63). Third, this standard is appropriate for geologic repository disposal because, in addition to being protective of public health and safety, it also allows the flexibility necessary for the Commission to make judgments with respect to quantitative data that may have large and unique uncertainties, as in the case for Yucca Mountain.

The comment also suggests better defining the term “reasonable assurance” as an option for replacing the term. Both the existing and proposed rule define this term by identifying what the Commission shall consider in arriving at this determination (Part 60.31 and Part 63.31).

### W-9 State of Nevada

Specific Comment: The third paragraph under this performance goal refers to making decisions “*with no undue conservatism*” and considering the regulatory burden associated with a safety enhancement in light of “*a cost benefit analysis.*” These pronouncements may be viewed as inappropriate and even counterproductive in assuring public health and safety with respect to things nuclear. Conservatism should be the cornerstone of health and safety regulatory approaches for nuclear activities. This is especially true in the case of nuclear waste disposal facilities, where uncertainties about future performance and waste isolation are so great as to demand great conservatism in regulations. The same is true for balancing costs with the appropriate and necessary regulatory burden. NRC should not permit itself to fall into the trap whereby the protection of public health and safety becomes a matter of cost-benefit trade offs. There are areas where costs may be seen to be excessive, but are nonetheless required to compensate for the risks and uncertainties.

To shift the focus of a regulatory agency such as NRC to one of avoiding “undue conservatism” and emphasizing cost-benefit calculus would be especially troublesome in the case of a high-level waste repository because institutions and bureaucracies tend to evolve their corporate cultures over time. Where a performance goal today seeking to limit conservatism and reduce costs may be seen as a moderate and reasonable step in attempting to deal with the regulatory burden placed on licensees, this same goal can, over time, become a strong and potentially negative influence on how health and safety regulations are implemented and enforced. This is especially troubling in the case of the proposed Yucca Mountain repository, a facility of unprecedented function and duration. Extreme conservatism should be the watchword for Yucca Mountain, regardless of the costs that might result from needed health and safety regulations.

Response: We agree with the State of Nevada that conservatism is an essential element of regulating nuclear waste disposal facilities and our strategic plan recognizes this approach.

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Conservative assumptions or approaches are often used to account for the various uncertainties inherent in safety assessments, especially, and as this comment notes, for waste disposal where uncertainties about future performance and waste isolation are great. However, reducing uncertainties might depend on collecting and analyzing additional data or enhancing a facility's design, which adds cost, or burden, to licensees or potential applicants. Therefore, the challenge is determining reasonable conservatism and avoiding unnecessary conservatism. The phrase "with no undue conservatism" referenced in the State of Nevada comments has been changed in the revised Strategic Plan to read "*without excessive conservatism.*" This phrase was intended to mean conservatism that would go beyond what is needed to demonstrate adequate protection of public health and safety. As we have indicated in our strategies, we believe that decisions regarding reasonable conservatism and reducing unnecessary regulatory burden should be commensurate with the risk of the regulated activity. For this reason, we have identified strategies in our Strategic Plan to use risk-informed and performance-base approaches to guide our regulatory decisions on these matters. These strategies have for years been a key element of the staff's precicensing program for Yucca Mountain. There has been an ongoing effort to use performance assessments and their insights on risk to guide the staff's reviews of DOE's program and provide guidance to DOE on the information needed in its license application to address technical issues and associated uncertainties for the Yucca Mountain site.

This comment also expresses the concern that there has been a shift in the agency focus because of the attention given in the draft Strategic Plan under the goal of reducing unnecessary burden to avoiding "excessive conservatism" and emphasizing cost-benefit. This is not the case. The draft Strategic Plan states on page 19 of Part 1 that the performance goal of maintaining safety, protection of the environment and the common defense and security is NRC's primary performance goal, which has a higher priority than the other performance goals. Furthermore, on page 23 of Part 1 the first sentence of the discussion under the performance goal for reducing unnecessary regulatory burden states: "*NRC will strive to reduce unnecessary regulatory burden and associated costs if possible, while achieving the other three performance goals.*"

### Reduce Unnecessary Regulatory Burden Measures

#### **W-10** Clark County, Nevada

Specific Comment: Under the section of the use of measures to reduce unnecessary regulatory burden the statement is made "*-to be protective at reasonable cost and undue conservatism.*" Clark County is unable to determine exactly what this statement implies. The term "undue" is defined in Webster's dictionary as "exceeding or violating propriety or fitness." The term "reasonable" should not be at the expense of public health and safety. Clark County, however, believes that neither of these terms should be used in the regulatory environment because they are subjective and, therefore, open to varying interpretations. We, however, agree with the statement that the burden *should be commensurate with the risk of the regulated activity.* The disposition of high level waste is, given the waste being stored and the time frame considered, a very risky undertaking for a number of generations of potential future residents. NRC needs to ensure that the Strategic Plan reflects a regulatory burden on the applicant (in the case of the Yucca Mountain Program) is commensurate with the risk.

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Response: The phrase “undue conservatism” referenced in the Clark County comment has been changed in the revised Strategic Plan to read “*without excessive conservatism.*” This phrase was intended to mean conservatism that would go beyond what is needed to demonstrate protection of public health and safety. Conservative assumptions or approaches are often used to account for the various uncertainties inherent in safety assessments. However, reducing uncertainties might depend on collecting and analyzing additional data or enhancing a facility’s design, which adds cost, or burden, to licensees or potential applicants. Therefore, the challenge is determining reasonable conservatism and avoiding unnecessary conservatism. As we have indicated in our strategies, we believe that decisions regarding reasonable conservatism and reducing unnecessary regulatory burden should be commensurate with the risk of the regulated activity. We recognize that Clark County agrees with this approach.

### W-11 Commission

Specific Comment: On page 18 (Nuclear Materials Safety) and page 24 (Nuclear Waste Safety), the first two measures collectively state that “*no more than (TBD) valid concerns per year*” will occur “*where NRC regulatory activities have resulted in unnecessary burden to licensees*” and “*non-license stakeholders*”. These two measures are vague and very subjective. The written description in volume 2 does not provide standards for determining if an issue is a valid concern or creates an unreasonable burden. I can easily contemplate issues where reasonable people can disagree if an issue is a valid concern and/or an unreasonable burden. The staff should develop some non-subjective or less-subjective standard for this measure. Either the measure needs to be changed or the discussion in volume 2 needs to be amplified.

Response: Staff has combined the first two measures into a single measure in the revised Strategic Plan, “*no more than one substantiated case of unnecessary regulatory burden per year, resulting from modification or application of the Materials and Waste areas regulatory framework as identified by a licensee or a non-licensee external stakeholder*”. Additional clarification for this measure has been provided in the rationale paragraphs in Part 2 (see response to G-1b).

## MAJOR EXTERNAL FACTORS

### W-12 Commission

Specific Comment: Throughout the document when addressing “*storage of spent nuclear fuel*”, several places address this topic as “*interim storage of spent nuclear fuel*” as well. For consistency purposes either “storage” or “interim storage”, but there should be consistent nomenclature within a discussion.

Response: Staff has reviewed the use of the term throughout the document and has referred to “*interim storage*” only in the discussion of external factors in Part 2 with reference to the “*national centralized interim spent fuel storage facility.*” All other references to interim have been deleted.

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### Other Comments

#### CORPORATE MANAGEMENT STRATEGIES

##### **O-1** PECO Energy Company

Specific comment: Page 5 of the draft strategic plan appendix states that “*The NRC has identified overarching corporate management strategies that help us work better together within and across our strategic arenas...*” Providing examples of these overarching strategies would help clarify this section.

Response: These strategies are listed in Part 1 on page 6. They are further clarified in Part 1, pages 27-29, and in Part 2, pages 57-67.

##### **O-2** Commission

Specific Comment: The strategies in the Information Technology section of the Corporate Management Strategies reflect a mix of agency and organizational (CIO) strategies; however, all of the strategies are presented as “we.” This should be clarified.

Response: These strategies have been modified in the revised Strategic Plan to reflect an agency perspective.

##### **O-3** Nuclear Energy Institute

Specific Comment: The relationship between these strategies and the balance of the strategic plan is not clear. In some cases they appear duplicative and redundant to goals and strategies mentioned elsewhere in the plan, e.g., communication with external stakeholders.

Response: Corporate management strategies have been articulated for the agency as overarching strategies and apply to both support and program offices and help the agency achieve the performance goals articulated for each of the four strategic arenas. Staff acknowledge that there is some overlap between corporate management strategies and performance goals, but does not believe that this distracts from the usefulness of the Strategic Plan.

##### **O-4** Nuclear Energy Institute

Specific Comment: The importance of change management should be stressed as the agency reforms its approach to regulating power reactors.

Response: Staff had added a new strategy under innovative and sound business practices prior to the publication of NUREG-1614 which discusses modifying the agency’s management and organizational structure, as appropriate. This includes examining the need for changes as regulatory reforms are implemented.

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### O-5 Commission

Specific comment: Corporate Management Strategies has no measures, although this may be an arena where more quantitative measures are available than in other areas. This is particularly glaring because there is not an explanation of why there are no measures for this arena when they exist for all others. Such measures should be developed and added to the final strategic plan if possible. For example, based on reviewing the appendix, a few such measures might be developed from the following: (a) No failures to meet other Arenas' goals and measures are attributable to failures to provide adequate technical support services or (b) using our periodic reports on the Diversity of NRC's workforce, you might have a measure tied to improving percentages of minorities and women represented in the workforce consistent with available applicants in the specific fields where hiring is occurring. There is a reference to developing 3-5 year plans to address program goals through IT support. Perhaps the development of such plans could be one goal with various milestones in development and implementation forming the measure of success.

NRC Employee

Specific Comment: Corporate Management Strategies provide no measures of performance. Processes themselves should have standards that can be used to measure their effectiveness and efficiency.

Nuclear Energy Institute

Specific Comment: Agencywide measures should be established to track the effectiveness of management's efforts in managing change throughout the agency.

Response: Agree that the agency should track how effectively the agency is managed. However, we disagree that measures of performance for corporate management strategies should be incorporated into the Strategic Plan. Corporate management strategies have been articulated for the agency as overarching strategies and apply to both support offices and program offices and help the agency achieve the performance goals for each of the four strategic arenas. As such, the performance measures identified for each arena track the overall impact of agency activities in achieving its mission. This does not preclude the development of performance standards and the tracking of outputs and activities against those standards and in the agency's budget and performance plan and in office operating plans.

### O-6 Nuclear Energy Institute

Specific Comment: The plan should include a management action to periodically review the organization structure and resource allocations within the agency as the strategies contained in the remainder of the plan are implemented.

Response: This section of the plan already identifies a strategy under innovative and sound business practices which calls for a planning, budgeting, and performance management (PBPM) process that is focused on outcomes and provides an effective tool for setting goals, allocating

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resources, tracking progress, measuring results, and identifying areas of improvement. The periodic review of the organizational structure and resource allocation is inherent in the NRC PBPM approach.