

August 28, 2000

MEMORANDUM TO: A. Randolph Blough, DRP Division Director, Region I
Loren Plisco, DRP Division Director, Region II
Geoffrey Grant, DRP Division Director, Region III
Ken Brockman, DRP Division Director, Region IV

FROM: William M. Dean, Chief */RA/*
Inspection Program Branch
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

SUBJECT: RESULTS OF SOLICITATION OF REGIONAL COMMENTS
ON END-OF-CYCLE REVIEW PROCESS

During the week of April 30, 2000, the End-of-Cycle (EOC) reviews were held for the pilot plants in all four regional offices with headquarters offices participating via video teleconference. These meetings were conducted in accordance with IMC 0305, "Operating Reactor Assessment Program."

As part of our ongoing effort to identify lessons learned and make necessary improvements, I requested, in previous correspondence dated June 20, 2000, that you provide feedback related to the revised assessment program to the Inspection Program Branch (IIPB) by July 15, 2000. I requested that you provide comments in the following areas: 1) the level of regional office effort in preparing for the EOC meetings and the value added by the material prepared by your office for the meeting, 2) the conduct of the meeting including the roles of the Headquarters office representatives, 3) the format and content of the Annual Assessment letters, and 4) the interface with the Office of Public Affairs regarding the press release and the posting of the Annual Assessment letters on the website.

All four regional offices provided feedback to our office and the results are summarized below. While a number of the issues raised by the regional offices are addressed in this memo and will form the basis for the next revision of IMC 0305, several items remain to be resolved and will be discussed at the next DRP/DRS counterpart meeting scheduled for September 6-7, 2000, in Lisle, IL. The four issues scheduled for discussion are 1) preparation required by the regional offices for the EOC meeting, 2) material provided by headquarters offices prior to the EOC meeting and the roles of these offices, 3) the relationship between the content of the annual assessment letter and the information presented at the subsequent public meeting, and 4) the method for issuing press releases following the EOC meeting. A draft revision of IMC 0305, "Operating Reactor Assessment Program" which incorporates your feedback should be forwarded to your office for your review by the middle of September. Our goal is to issue a final version of IMC 0305 prior to the mid-cycle reviews in November of this year. If you have any questions, please contact either Bob Pascarelli at (301) 415-1245 (e-mail: RJP3) or Tom Boyce at (301) 415-1130 (e-mail: THB) of my staff.

1) **Level of effort in preparing for the end-of-cycle review**

A) **Introduction** - All regional offices provided copies of the plant issues matrix, proposed inspection plan, and performance indicators as displayed on the agency's website at <http://nrr10.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>. The performance indicator data, as displayed on the agency's website, was displayed in the regional offices via overhead projection in Regions II and IV. Additional data prepared by the regional offices included: a) a matrix used by Region IV that compared the scope of inspection reports and associated findings to the individual cornerstones, and b) a 3-6 page package prepared by Regions I and III for each pilot plant that was similar to those prepared for the previous Plant Performance Reviews. These packages contained a performance overview, inspection and PI results by strategic performance area and cornerstones, as well as a discussion of cross-cutting issues and PI verification.

B) **Comments from the regional offices** - Although each regional office provided varying levels of material for the meeting, each of the regions were satisfied that their level of preparation was appropriate and added value to their EOC meeting. One region commented that the new process was much more efficient as compared to the SALP and previous pilot assessment processes which resulted in a significant reduction in the administrative effort needed to support a plant assessment. Another regional office stated that their effort in discussing pilot plant performance was reasonable but that this same level of effort during the next EOC meeting, unless streamlined, would encompass a minimum of two full days to complete. They proposed an additional plant assessment meeting prior to the EOC meeting that would involve NRR, the region, and the resident inspectors. This meeting would entail a lower level of attendance than those attending the EOC meeting (Regional Division Directors and Deputy Directors, Branch Chiefs, and NRR Project Directorate staff) and provide for a more detailed discussion of plant performance which would not have to be duplicated at the EOC meeting.

C) **IIPB resolution** - Our office has also been concerned about the coordination of both regional and headquarters office resources in order to support the end-of-cycle reviews. However, the resources required for the end-of-cycle reviews are less than that expended during the Plant Performance Reviews and the Senior Management Meeting screening process. During the End-of-Cycle reviews for the pilot plants, the time spent discussing performance on each plant varied from as low as 20 minutes to slightly over an hour for those plants with significant performance issues. The average time allocated for each plant review should take approximately 30 minutes and should decrease as the process becomes more efficient. This would entail a maximum of two days per region to complete the mid-cycle or end-of-cycle reviews. The conduct of the meetings, including office participation, is further discussed below.

We believe that the proposal to conduct an additional assessment meeting prior to the EOC meeting would create a redundant process that would challenge the agency's goal to become more efficient and effective. While appropriate meeting preparation is necessary to a successful assessment review, it should not become a requirement of the assessment program. However, the EOC meeting may be streamlined by initially discussing each plant without participation from the headquarter's office representatives.

A plant summary would occur at the end of the meeting which provides an opportunity for the headquarter's offices representatives to provide input by exception to the regional office's prior to a final determination of agency action.

Our office believes that it is important for each regional office to expend their resources for the assessment program consistently across the agency and commensurate with the number of risk significant issues within that region. Our proposal is to require packages, similar to those prepared for the Plant Performance Reviews, for only those plants whose performance are in the Degraded Cornerstone, Multiple/Repetitive Degraded Cornerstone, and Unacceptable Performance columns of the Action Matrix. This would allow the regional offices to focus their resources on developing packages for only those plants with the most risk significant issues and thus requiring a higher level of discussion. These issues will be discussed at the next DRP/DRS counterpart meeting.

2) **Conduct of the meetings**

A) **Introduction** - The EOC meetings for the pilot plants were conducted via video teleconference between the regional offices and the program office. Each meeting was chaired by the applicable Regional Administrator with participation from a member of the Executive Team, the Agency Allegations Advisor, and senior representatives from the Division of Licensing Project Management, Office of Investigations, Office of Enforcement, Office of Research, and the Inspection Program Branch (IIPB).

B) **Comments from the regional offices** - All of the regional offices responded positively regarding the conduct of the meetings.

One exception was the role of headquarters participants and the lack of material provided by these offices to the regional offices prior to the meeting. Three of the regional offices stated that the role of the individual offices should be better defined and that these offices should provide written input to the regional offices. This would allow for all participants to be fully informed, incorporation into the plant performance packages prepared by the regions, and avoidance of any unnecessary surprises. One region responded that "while the role of the regions, NRR, and the Agency Allegations Advisor is readily apparent, the roles of the Office of Investigations and the Office of Enforcement in the EOC meeting are not clearly understood."

C) **IIPB resolution** - The purpose of the various headquarters office participants during the EOC meeting is to provide: 1) an opportunity for these offices to share their insights into licensee performance over the course of the annual assessment period, 2) an independent validation of the regional office's assessment of licensee performance from their office's perspective and 3) clarifying or ancillary remarks regarding ongoing or current issues within their cognizance.

As stated at the EOC meetings in May 2000 this meeting has evolved from a meeting between the regional and headquarters offices to a regional meeting with headquarters office's participation. The various headquarters offices (with the exception of the Agency Allegations Advisor) will not provide written material prior to the EOC meeting. Any information that would be provided to the regional offices is readily available and would

be unnecessarily redundant. The presence of any “surprises” at the meeting has not been a problem during past assessment reviews. Rather, any collective insights gained as a result of the gathering of different office representatives (with possibly different perspectives) would be indicative of a successful program rather than a failure. However, there may be some exceptional circumstances in which the headquarters offices may provide some input by exception. This issue will be discussed at the next DRP/DRS counterpart meeting.

3) **Annual Assessment Letter**

A) **Introduction** - The Annual Assessment Letters were required to be issued within three weeks of the end of the end-of-cycle meetings per IMC 0305. Boilerplate letters were also provided in IMC 0305. The regional offices submitted the letters to the IIPB for comments prior to issuance. All Annual Assessment letters were issued to the licensee within three weeks of the end-of-cycle reviews.

B) **Comments from the regional offices** - The annual assessment letters went through an iterative review process. As a result, three of the regional offices stated that the final issued version represented a “good product.” One regional office stated that the results of the annual Problem Identification and Resolution (PI&R) inspection should be included in all letters, instead of only those plants that have substantial performance problems. Another regional office disagreed with this position. One regional office stated that the letters would be improved by using less “boilerplate” language and more plain and concise language. Two of the regional offices stated that the annual assessment letters did not contain enough data by themselves to conduct the annual public meeting. One of these respondents stated that this left them with the dilemma of having a “very brief, meaningless public meeting or with candidly discussing issues that were not raised in the assessment letter, both of which are awkward and inappropriate.”

C) **IIPB resolution** - IMC 0305 was modified to include references to “substantial” cross-cutting issues in the mid-cycle and annual assessment letters as a result of feedback from the regional offices. As a result, the “boilerplate” letters in IMC 0305 deliberately deleted the requirement to include an evaluation of the licensee’s PI&R program for all plants. The cross-cutting issues working group may provide some additional insights that will be incorporated into IMC 0305. The boilerplate annual assessment letters will be updated in the next revision of IMC 0305 to reflect lessons learned from the review process of the annual assessment letters as well as to incorporate more plain language.

The contents of the annual assessment letters have been developed in order to provide a clear and concise description of licensee performance over a 12-month period. The absence of specific plant performance information indicates acceptable performance in that area. The annual assessment letters provide the minimum information that should be conveyed to the licensee in the annual public meeting. However, this does not preclude the presentation of additional plant performance information when placed in the proper context.

The relationship between the contents of the annual assessment letter and the material presented at the annual public meeting will be discussed at the next DRP/DRS counterpart meeting.

4) **Interface with the Office of Public Affairs (OPA)**

A) **Introduction** - OPA issued a single press release on May 24, 2000 stating that the EOC reviews had been completed and that the annual assessment letters were available on the website.

B) **Comments from the regional offices** - Three of the regional office's provided neutral comments on the process of issuing one press release. One regional office stated that each region should be allowed to coordinate a single press release with OPA. This would allow each region to have some control over when their respective licensees are informed of the results of the assessment process and not unnecessarily restrain one or more regions to the schedule of another.

C) **IIPB resolution** - In the past, there has been some concerns regarding the consistency in the contents of the press releases issued by the regional offices under the previous assessment program. As a result, our office has coordinated a single press release following assessment events. Some possible solutions may be to; 1) provide a boilerplate press release in IMC 0305 for regional office use and/or 2) incorporate our review into the process prior to issuance. This issue will be discussed at the next DRP/DRS counterpart meeting.

5) **Miscellaneous comments**

a) Two of the regional offices specified that the timely posting of the performance indicators to the internal web is essential if the timeliness goals of 0305 are to be met.

IIPB resolution: Our office agrees with this comment. The performance indicators results will be posted internally within a few days of receipt by the program office.

b) One of the regions stated that the participation of the Senior Reactor Analyst (SRA) was useful while another region stated that their presence should be optional and not a requirement of IMC 0305.

IIPB resolution: The SRAs should be available, at the discretion of the chairman of the meeting, to provide the proper risk perspective for specific performance issues. IMC 0305 will be updated to reflect this guidance.

c) One region expressed concern that guidance on the treatment of cross-cutting issues needs to be resolved.

IIPB resolution: The treatment of cross-cutting issues in the inspection and assessment programs has been a topic of great interest to both internal and external stakeholders. As a result, the Commission provided guidance to the staff in a Staff Requirements Memorandum (SRM) dated 03/28/00 to develop a working group to address the role of

cross-cutting issues in the assessment and inspection programs. The recommendations of this working group will be considered in future agency policy.

d) One region stated that there should be more guidance from the program office regarding how each of the fields in report 22 (Inspection/Activity Plan) should be completed.

IIPB resolution: Our office is developing an inspection manual chapter (IMC) on the information technology interface associated with the Revised Oversight Process. This guidance will be included in this IMC. licensees are informed of the results of the assessment process and not unnecessarily restrain one or more regions to the schedule of another.

cc: W. Beecher, Director, Office of Public Affairs
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V. McCree, DRP Deputy Director, RII
M. Dapas, DRP Deputy Director, RIII
E. Collins, DRP Deputy Director, RIV

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