

August 19, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

John T. Larkins
Executive Director, ACRS/ACNW

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-97-122 - INTEGRATED
REVIEW OF THE NRC ASSESSMENT PROCESS FOR
OPERATING COMMERCIAL NUCLEAR REACTORS

This is to advise you that the Commission has not objected to the proposed actions subject to the following comments.

1. The integrated review should address each requirement identified in the SRMs cited in SECY-97-122, the SRM on the staff response to the Arthur Andersen Study Recommendations and SECY-97-072 (M970424B), and the SRM on the June 1997 SMM briefing (SRM M970625A), with the exception of the following specific requirements which should be completed based on the current due dates, as noted below.
 - a. SRM M970129A - ... [T]he staff should conduct a detailed peer review of the Arthur Andersen methodology (both its use of performance indicators and its selection criteria), compare the results of the application of that methodology to the results of the recent SMM, and evaluate and describe the reasons for any differences. - and-
SRM M970424B - The staff's evaluation of the Arthur Andersen algorithm, or any other performance algorithm should include an evaluation of the algorithm's detection capability as a function of time and an assessment of its propensity to produce false positives and false negatives. The algorithm should be peer reviewed, and should be benchmarked and trial-tested before being relied upon for making assessments or

SECY NOTE: THIS SRM AND SECY-97-122 WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

comparisons. (Currently due 10/17/97)

- b. SRM M970129A - The staff should consider the advisability of reissuing adverse trend letters at each SMM for which they are left in effect. (Currently due 8/21/97) Issuing trending letters between SMMs (or some other defined evaluation interval) in warranted situations should be considered as part of the integrated review.
 - c. SRM M970213A - ... [T]he staff should consider whether, when, and how the Plant Issues Matrix should be made available to licensees and the public. (Currently due 8/21/97)
 - d. SRM M970625A - Added focus needs to be given to the quality of information provided in the Senior Management Meeting background papers, the plant removal matrix, and the information matrix (pro/con charts). (Currently due 1/30/98)
 - e. SRM M970625A - The staff should determine the appropriate threshold, evaluation methods and criteria, and categorization schemes for discussing fuel cycle facilities and higher-risk material licensees at the Senior Management Meeting. (Currently due 1/30/98)
 - f. SRM M970424B - The Commission requested that the ACRS review the improvements being made to the SMM process. (Currently due 10/17/97)
- 2. The staff should provide periodic updates to the Commission on its progress in performing the integrated review. The updates should include the status of actions directed by the Commission in the SRMs identified in Item 1, above, and include how they have been or will be resolved.
 - 3. Where areas of duplication (redundancy) are retained in the NRC assessment process, the staff should describe their purpose and provide justification.
 - 4. The staff should increase the use of informatics and risk assessment technology in developing the improved assessment process. The staff should also focus on increasing the objectivity and effectiveness of the assessment process, and finding ways to detect declining licensee plant performance as soon as possible.

(EDO)

(SECY Suspense:

6/26/98)

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