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February 23, 2001

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Office of Administration
Mail Stop: T-6 D59
U.S. Nuclear Regulatory Commission
Washington DC 20555-0001

SUBJECT: Public Comment on the First Year of Initial Implementation of the
Reactor Oversight Process (ROP)

Dear Mr. Lesar:

On behalf of the nuclear energy industry, the Nuclear Energy Institute (NEI) is submitting the enclosed list of ROP key issues that we believe should be considered for discussion during a public workshop on First Year Lessons Learned, scheduled for March 26-28, 2001. The Nuclear Regulatory Commission requested a list of key issues to be discussed at the workshop in the *Federal Register* on December 14, 2000 (65 *Fed. Reg.* 78215).

We appreciate NRC's approach throughout the development and first year of implementation of the new ROP. The continuing degree of public interaction and cooperation exhibited by all stakeholders has allowed the process to effectively address most emerging questions and unforeseen concerns in a timely and fair manner. Without forsaking its responsibility to make the final decision, NRC has been willing to openly share its ideas and to allow public comment on a real-time basis. The result has been a far better product than could have been achieved in the past. This new paradigm of communication and understanding between the regulator, licensees and the non-industry public is to be commended. It should also be emulated for future regulatory improvement initiatives.

The issues provided in the enclosure reflect information accumulated during an industry workshop conducted in January of this year, as well as individual suggestions provided by NEI member companies.

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The industry looks forward to a continuing dialogue with the NRC and other stakeholders during and following the planned public workshop. Following the workshop, we shall be providing detailed comments on the first year of the ROP, as requested in the aforesaid *Federal Register* Notice.

Sincerely,

Stephen D. Floyd

Enclosure

Proposed Reactor Oversight Process Key Issues for NRC Lessons Learned Workshop

Inspection Process Improvements –

- Discussion of criteria, definition and threshold for no-color findings
- Discuss potential to pilot use of plant self-assessment in place of NRC inspection (including baseline)
- Discussion of value-added from inspections conducted to date (i.e., have certain inspections revealed no or little risk significant results? Should their frequency be reduced or be replaced by plant self-assessment?)
- Need for review of scope and frequency of inspections (e.g., engineering, PI&R, radiation protection)
- Discussion of the safety conscious work environment portion of the PI&R inspection module (specifically any guidance as to when this portion of the module is to be implemented and criteria that might be used in classifying issues/findings in this area)
- Discuss information sharing pre-exit, at exit and in inspection reports
- Resources dedicated to baseline inspection: Will there be a learning curve and an expected decrease in inspection hours (which many licensees feel is higher than the previous core inspection program)?
- Scope, status and implementation experiences with MD 8.3 (specifically the use of conditional core damage probability and limitations on resident inspector interface with licensees)

SDP Process Improvements

- Lessons Learned from containment and shutdown SDPs (Others to be discussed in other breakout sessions on RP, Physical Protection, Fire Protection)
- Discussion of expectations for information sharing of PRA/SDP analysis during inspections, prior to inspection report and prior to regulatory conferences
- Has the appropriate amount of risk analysis been performed? Too much for the issues at hand?
- SDP process timeliness and communications, particularly when generic application issues arise
- Discuss method to capture lessons learned on SDPs, particularly FAQs regarding SDPs (process and issue specific)
- Discuss Group 1, 2 and 3 thresholds

Assessment –

- Lessons Learned, comments from NRC and industry: Are there process efficiencies to be gained?
- Discussion of graded reset for inspection findings (after NRC acceptance of root cause and corrective action plans)
- Cross-NRC Region oversight challenges (i.e., licensees with sites in multiple regions)

- Discuss semi-annual and annual assessment process
- Discuss experience with Action Matrix

Unavailability Definition – The mitigating system unavailability PIs have received by far the greatest number of Frequently Asked Questions and deserve a separate breakout session. Among issues which should be discussed are:

- Basic definition differences exist between Maintenance Rule, PRA/PSA, WANO/INPO, and NEI 99-02
- fault exposure
- credit for operator action;
- differences between TS operability and unavailability
- thresholds
- support systems impact on front-line system unavailability
- impact on effective preventive maintenance vs. crossing threshold
- unintended consequences of avoiding unavailability

Unplanned power changes –

- Discussion of NRC and industry concerns regarding interpretation of the current indicator and the NRC proposed replacement.
- Discussion of power reductions conducted to accommodate economic considerations

Identification and disposition of “Cross-Cutting Issues” –

- Need for criteria, thresholds and definitions (for example, what makes an issue truly cross-cutting? What is a “cross-cutting” human performance issue? A “cross-cutting” procedure issue?)
- Discussion of revision to MC 0610* Oct 6 to clarify cross-cutting issue reporting
- Inconsistency across regions
- CAP inspection: What have been results? Lessons learned? What is NRC expectation for the use of “risk analysis” in the CAP program? Use of SDP in CAP program?

PI data reporting expectations— What are NRC expectations for PI data quality, administration, and de minimus unavailability? Discussion of inspector ratcheting or suggestions to upgrade PI program compared to another site

Fire Protection Issues –

- Inspection module and scope
- revision of SDP
- transparency of SDP use to inspected licensees
- treatment of licensing basis (including SERs and previous inspection results)
- guidelines for issue resolution between licensees and regions
- streamlining time spent on findings consistent with risk significance

Enforcement Policy –

- What level of attention will be applied to PI verification given the end of the grace period for reporting errors?
- To what extent is NRC management directing inspectors to focus on risk significant issues and not on de minimus reporting errors?
- Does the submittal of an FAQ protect a licensee from enforcement action (except willful, etc.) since it represents a valid technical question as to reporting requirements?
- What enforcement discretion time period will be given as new PIs are added (learning curve period)?

Physical Protection Cornerstone

- Implications of recent Commission SRM
- SDP – need relative quick action on replacement; findings should reflect safety consequences; needs to be able to handle routine items (e.g., loss of control of weapon)
- Inspections are compliance oriented rather than risk informed and performance based
- Overlap of PA security equipment index with inspection of IDS and CCTV. Consider elimination of inspection (or extend inspection frequency to every 3 years since PI covers the area)
- Need concurrent completion of various items: Safeguards Performance Assessment (replacement for OSRE); rewrite of security rules (10 CFR 73.55); stabilize adversary characteristics;

Radiation Safety

- Discussion of recent ALARA inspection results, including violations and SDP approach
- Improving focus of baseline inspections – inspection effort appears unchanged or greater; consider less frequent inspections
- Public Radiation SDP – transportation (improve risk basis for waste classification); rad material control (clarify finding criteria – final monitoring point and number of occurrences; two year time frame for aggregating rad material control findings)
- Occupational Rad Safety SDP -- Exposure control application variability from inspector to inspector
- Applicability of the SDP to discrete radioactive particles

Emergency Preparedness

- Regional understanding and buy-in of process
- Application of no color findings
- Inspection reports do not explain how finding significance (color) arrived at.
- Discussion of how supplemental inspection findings are assessed for risk significance (how are findings colored? Discuss examples in EP)

- Impact on station staff of PI inspection and Biennial exercise in the same week
- Communicator definition
- Lack of NRC/licensees understanding of the Action Matrix

Risk-Based PIs – This area is still in the early Phase 1 review stage; however, it might be appropriate to gather input from this large assembly of NRC and industry potential users of the RBPIs. Discuss process for consideration; candidate PIs; discuss potential data collection and interpretation issues/problems