

October 16, 2001

MEMORANDUM TO: James T. Wiggins, Deputy Regional Administrator, RI
Loren R. Plisco, Acting Deputy Regional Administrator, RII
James L. Caldwell, Deputy Regional Administrator, RIII
Thomas P. Gwynn, Deputy Regional Administrator, RIV

FROM: Bruce E. Boger, Director */RA/*
Division of Inspection and Program Management
Office of Nuclear Reactor Regulation

SUBJECT: FIRST ANNUAL REACTOR OVERSIGHT PROCESS SELF-ASSESSMENT REPORT

This memorandum transmits the Reactor Oversight Process (ROP) report on the self-assessment output from the first year of initial implementation. It also forwards detailed metric results that support the conclusions reached in this report. The self-assessment results were consolidated and factored into the staff's evaluation of implementation of the ROP and summarized in SECY-01-0114, "Results of the Initial Implementation of the New Reactor Oversight Process," dated June 25, 2001. The results were also discussed at the Agency Action Review Meeting (AARM) and the Commission briefing on the ROP. The attached report is forwarded for your information only, no action is required.

The ROP self-assessment program evaluates the overall success of the ROP in meeting its design goals of being objective, risk-informed, understandable and predictable as well as in meeting the agency's performance goals of maintaining safety; increasing public confidence; improving effectiveness, efficiency, and realism of NRC activities and decisions; and reducing unnecessary regulatory burden. The self-assessment program utilizes objective metrics and pre-determined criteria to assess the performance of the ROP. The input to the metrics were from a variety of sources, including the Reactor Program System (RPS), RES periodic equipment trending reports, the inspection program, periodic independent audits, stakeholder surveys, and public comment.

The attached ROP self-assessment annual report consists of an overall summary and several attachments that provide detailed results in each of the ROP areas of performance indicators, inspection, assessment, and the significance determination process. The overall summary report addresses the efficacy of the ROP. In future years, this report will also provide the results of our evaluation of resource expenditures and overall process timeliness. However, because these additional areas were addressed for the first year of implementation in SECY 01-0114, they were not reported here.

While it is too early to draw detailed overall conclusions, in general, the self-assessment has determined that the ROP has been successful in being more objective, risk-informed, understandable, and predictable than the previous process. In addition to other objective measures, comments received from internal and external stakeholders support this conclusion and represent an improving trend in perception of performance since initial implementation. However, some internal stakeholders indicated on the feedback forms submitted by the regions

that they were critical of the training provided prior to initial implementation by headquarters staff. Additionally, some public stakeholders expressed difficulty in understanding the bases for SDP results, particularly those that were based on licensee's risk analyses. Both internal and external stakeholders were critical of the complexity in use of the SDPs and with the effort and time needed to finalized the safety significance of issues. The remaining criteria: maintain safety; increase public confidence; improve effectiveness, efficiency and realism of NRC activities and decisions; and reduce unnecessary regulatory burden; are more difficult to determine and will require additional time to assess. For example, the impact on safety of any regulatory approach cannot be gauged in the short term, because 1) many factors affect safety, 2) some normal variation in the metrics being monitored is expected, 3) a significant lag may occur between a regulatory change and the full manifestation of its impact, and 4) conditions that potentially impact safety may exist for some time before detection (i.e., design and latent errors). However, it should be noted that the ROP self-assessment process is a continuous process which includes responding to noted deficiencies and incorporating improvements in an on-going manner.

The self-assessment process will continue to evolve. Along with reviewing the final metrics results from the first year of initial implementation, we reviewed the existing metrics to identify and eliminate those that do not provide meaningful insights and to develop additional metrics where warranted. We will work with the regions to revise the metrics as part of our continuing efforts to improve the self-assessment program efficacy and will implement any revisions in future reports.

Attachments:

- 1) Overview
- 2) Performance Indicators
- 3) Inspection Program
- 4) Significance Determination Process
- 5) Assessment Program
- 6) Overall ROP

cc w/attach:

- R. Barrett, SPSB/DSSA/NRR (Attachments 1, 4, and 6)
- T. Quay, IOLB
- G. Tracy, IOLB
- W. Borchardt, ADIP
- P. Baranowsky, RES
- F. Congel, OE (Attachments 1 and 5)

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cc: W. Borchardt, ADIP	T. Quay, IOLB/DIPM
Gary M. Holahan, DSSA	G. Tracy, IOLB
James E. Lyons, NRLPO	R. Barrett, SPSB/DSSA (Attachments 1, 4, and 6)
David B. Mathews, DRIP	F. Congel, OE (Attachments 1 and 5)
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*see previous concurrence