

3.1 Project Management Control

In managing the various types of reviews among the groups within the NRC, the PM uses project management controls. These controls serve one or both of two functions. First, they allow the PM to identify significant technical issues, establish the schedule within which they must be resolved, and determine a vehicle for their resolution. Second, they alert NRR management to existing or potential problems.

3.1.1 Technical Assignment Control (TAC) Numbers and Work Request Forms

NRR Office Letter No. 303, "NRR Office Workload Procedures Manual," provides procedures for preparing TAC forms and work request forms. A brief description of TAC numbers and work request forms is provided below.

The PM initiates any review by issuing a TAC form. The initiating event is generally an application from the licensee or an NRC action. In either case, the TAC form is filled out by the PM responsible for the facility, or by the lead PM in the case of an MPA, and is sent to the NRR Planning, Program and Management Support Branch for the issuance of a TAC number(s). Details for filling out a TAC form are provided in the Regulatory Information Tracking System (RITS) User's Guide (see [Section 3.5.2](#) for more information on RITS).

The TAC number will identify an action throughout the review and issuance of the licensing action. A TAC number should be issued for each facility on each action, and in the case of MPAs, there should also be a separate TAC number for the lead PM activity. TAC numbers are tracked on the Workload Information and Scheduling Program (WISP) computer system (see [Section 3.5.1](#)).

After a TAC number is obtained, the PM contacts the review section leader or branch chief believed to be responsible for the review and sends him or her a completed work request form, with the TAC number, nature of the review, and a proposed target date. When the form is signed by the review branch chief and returned to the PM, the review schedule is set. It may be changed by circumstances that occur after the schedule is issued, but only by negotiation with all parties concerned. A blank work request form may be obtained from the licensing assistant.

3.1.2 Project Manager's Report

The Project Manager's Report (PMR) is a listing of all active licensing actions and their status and projected completion dates. It can be viewed and manipulated on WISP and printed out if desired. As necessary, the PM should update the PMR to reflect the current status of assigned licensing actions.

3.1.3 Lead Project Manager

A PM may be assigned to serve as a lead PM in the coordination and evaluation of generic and potentially generic safety and environmental concerns related to operating reactors. These efforts are known as multi-plant actions (MPAs). Being a lead PM involves a significant amount of responsibility. A summary of these responsibilities is provided below:

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- project technical review resource needs and establish schedules to resolve the issue through consultation with the technical review branches
- ensure that the resolution is clearly defined and communicated to all parties
- inform the Project Director regarding potential problems needing attention
- coordinate plant-specific resolutions with individual plant PMs
- handle public and congressional correspondence related to the assigned issue
- coordinate and conduct public meetings on the assigned issue
- monitor implementation and verification status to ensure established schedules are acceptable and met
- ensure the status of MPAs is maintained on the Safety Issues Management System (SIMS).

See Section 5.2.6, Multi-Plant Actions, for more specific details on the actions that a lead PM implements in coordinating the resolution of an MPA.

3.1.4 Priority Determination for NRR Review Efforts

This section provides the general framework for defining the priority of review activities within NRR and gives examples of review tasks within each priority for operating reactors. PMs should refer to this guidance when scheduling and assigning review activities associated with his or her plant, and assign priority classifications to ongoing and future work based on this guidance. Most of the information included in this section is taken from a T. Murley memorandum, "Priority Determination of NRR Review Efforts," dated June 6, 1993. Information on the priority of cost beneficial licensing actions (CBLAs) was taken from a S. Varga memorandum, "Implementation of Tracking System for Cost Beneficial Licensing Actions (CBLAs)," dated February 15, 1994.

The priority of a review task is determined primarily on the basis of safety significance, risk considerations, and operational impact. Four levels of priority are broadly defined in Figure 3.1.4-1. As a general rule, the safety significance of an issue should be guided by an assessment of its risk significance. ~~Issues that affect components or systems that play a major role in accident scenarios should be considered high-priority issues.~~ Significant contributors to initiating events that may result in challenges to the plant are high-priority assignments and should have appropriate resolution dates. However, identifying components and systems as safety or non-safety items is not, in itself, sufficient justification for assignment of priorities. In some situations, priority is dictated by Commission or EDO directive resulting from policy considerations, or by statutory requirements such as deadlines imposed by rule or regulation. All these factors must be considered in defining the priority of a particular review task.

Examples of review activities related to operating reactors that fall into each priority category are provided in Figure 3.1.4-2. This priority scheme is not meant to be a rigid framework. Some assignments may not fall into the categories described. Allocation of resources will be guided by the principle that issues of greatest safety significance and most operational impact, as well as those areas that the Commission has identified as important, will be given a high priority and will have predictable review schedules. However, unlike past priority ranking systems, there is not necessarily a direct correlation between the assigned priority and the review completion date. A review of lower safety significance could be completed on a shorter schedule than a review that has more safety significance. Additionally, the Priority 4 category has been redefined for issues that management decides should be deferred or staff work discontinued.

There are many plant-specific licensing tasks for which there are no immediate safety benefits or detriments associated with their approval; however, there may be significant economic benefits to these actions. Licensing actions that have low safety impact (i.e., would not receive a priority of 1 or 2) and high licensee cost (\$100,000 or greater) are considered CBLAs and will be assigned a priority of 3. Licensees must specifically request that licensing actions receive consideration as a CBLA with supporting rationale.

Low safety impact licensing actions that do not provide a savings of at least \$100,000 will not be considered CBLAs and will receive a priority of 4.

Figure 3.1.4-1

Priority Levels for NRR Review Efforts

<u>Priority Level</u>	<u>Definitions</u>
<p>PRIORITY 1:</p>	<p>Highly risk-significant safety concerns that require firm commitment of resources</p> <p>Actions needed to prevent or require plant shutdown, allow restart, or prevent significant derate</p> <p>Issues for which immediate action is needed for compliance with statutory requirements or Commission and EDO directives</p>
<p>PRIORITY 2:</p>	<p>Significant safety issues that do not rise to the level of immediate action but require near-term staff evaluation</p> <p>Activities needed to determine the safety significance/generic implications of an operating event</p> <p>Activities needed to support continued safe plant operation, reload analyses, or evaluation of necessary modifications or enhancements</p> <p>Topical report reviews that will have extensive application in the short to mid-term, and whose application results in a significant safety benefit</p> <p>Licensing reviews for which safety evaluation reports must be prepared within six months for construction permit, operating license, preliminary design approval, or final design approval</p>
<p>PRIORITY 3:</p>	<p>Issues of moderate to low safety significance that do not directly impact plant safety</p> <p>Support for generic issue resolution and multi-plant actions</p> <p>Plant specific and topical report reviews with limited safety benefit but whose application offers operational or economic benefit</p>
<p>PRIORITY 4:</p>	<p>Items to be deferred or closed out without further staff review</p>

Figure 3.1.4-2

Examples of Actions/Issues Within Each Priority Category for Operating Reactors

<u>Priority Level</u>	<u>Examples of Actions/Issues</u>
<p>PRIORITY 1: High Priority</p>	<p>Immediate action usually required; review completion date must be met; firm commitment of resources required.</p> <ul style="list-style-type: none"> • operating plant safety issues of very high significance including: <ul style="list-style-type: none"> ◦ event analysis of a serious operating incident ◦ initial evaluation of unresolved safety questions to determine safety significance and generic applicability ◦ unsatisfactory license operator qualification program ◦ resolution of inspection team findings with high safety or safeguards significance • bulletin development and review of responses • significant non-compliance issues related to reactor vessel integrity • 10 CFR 50.54(f) letter development and review of responses • reactive team inspection support (AIT, IIT, Special Inspection) and activities directly related to plant restart decisions • support for court and licensing board hearings and response to interrogatories, 2.206 petitions, and EDO/Congressional ticket items • incident response center support • technical support for enforcement discretion or safety evaluations for license amendments or exemption requests for actions to prevent unnecessary reactor shutdown or startup delays or significant derating of the plant • ACRS/Commission briefings • technical support for orders issued to licensees • support for escalated enforcement actions • support for evaluating highly safety significant allegations and differing professional views/opinions • licensee performance evaluations to support SALP, senior management meetings, EDO and Commissioner meetings with licensee • reviews for lead plant or complete conversions to the improved STS
<p>PRIORITY 2: High Priority Near-Term</p>	<p>Short-term actions, minor changes to review completion date can be negotiated</p> <ul style="list-style-type: none"> • evaluation of operating events, inspection findings, and Part 21 reports to identify safety issues requiring action and assess licensee performance • assistance to regions including consultation on TS interpretation, and task interface agreements • significant safety, emergency planning and safeguards issues • reload reviews • development of multi-plant issues of high safety significance and review of licensee responses • decommissioning issues (exemptions, orders, reviews, etc.) • TS interpretations that could impact plant operation • power uprate proposals • preparation of generic communications on issues of moderate safety significance • review of 50.59 evaluations of highly safety-significant items (steam generator replacement, dry cask spent fuel storage installation)

	replacement, dry cask spent fuel storage installation) <ul style="list-style-type: none"> • ISI/IST relief requests • generic STS line item improvements • pressurized thermal shock review and evaluation
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Figure 3.1.4-2 (continued)

Examples of Actions/Issues Within Each Priority Category for Operating Reactors

<u>Priority Level</u>	<u>Examples of Actions/Issues</u>
<p>PRIORITY 3: Low Priority</p>	<p>Longer-term actions, review completion date is flexible, items that are "marginal to safety"</p> <ul style="list-style-type: none"> • development of multi-plant actions of lower safety significance and review of licensee responses • surveillance program reviews • CBLAs • spent fuel pool expansion reviews not meeting Priority 1 or 2 • piping as-built/design non-conformance reviews • participation in ASME, ANS, and IEEE codes and standards activities • topical report reviews and code case reviews which are required to demonstrate compliance with the regulations or provide operating flexibility/economic benefit and are expected to have wide reference ability • safety-significant problems with the offsite dose calculations manual or radiological effluent technical specification, review of waste issues • severe accident policy implementation • support to RES on new generic issues of moderate safety significance • seismic hazard characterization • ISI/IST program implementation and relief requests not affecting continued operations or restart • proposed relief from previous commitments (e.g., EP, RG 1.97) • voluntary upgrades to safety systems (e.g., analog-to-digital conversions) • preparation/revision of inspection procedures, inspection manual chapters, NRC management directives • i requests for TS amendments required for economic advantage (e.g., changes in core and equipment operating limits, limiting conditions for operation and surveillance requirements, deletion of equipment that is no longer used, administrative TS changes) • review of licensee self-initiated performance improvement programs developed in response to weaknesses in safety performance • technical support for allegations and differing professional opinions of low safety significance
<p>PRIORITY 4: Items That Can Be</p>	<p>Items that can be deferred or closed out without further staff review, e.g., issues not directly impacting plant safety, generic and confirmatory items with relatively low safety significance</p> <ul style="list-style-type: none"> • ASME code case reviews with limited applicability • long-term follow-up of events or inspection findings with low safety significance • preparation of generic communications that address items of low safety significance and

Deferred

- administrative matters
- technical support for new generic issues of low safety significance
- changes to legally binding requirements (e.g., TS, license conditions) that are solely editorial

The priority determinations will be reviewed semiannually at the NRR management meeting to determine how well the process meets the needs of this office. During the semiannual review, NRR managers will review discrepancies between work planned and work performed, and will assess the need for adjusting priority determinations.

3.1.5 Task Interface Agreements (TIAs)

NRR Office Letter No. 1201, "Control of Task Interface Agreements," provides procedures for processing regional requests for NRR assistance through TIAs. A brief discussion of TIAs is provided below.

NRR often receives requests from the regional offices for technical assistance. Examples of the type of assistance requested are:

- The regional office may decide that a specific plant event, inspection finding, or licensee notification involves the need for a licensing action.
- An event may have short-term generic implications for other plants.
- A regional office may need additional expertise or manpower in the exercise of its normal activities.
- A regional office may need a TS interpretation.

The appropriate PM should discuss the request with the region before a written request is prepared. Depending on the nature and the complexity of the request, the PM should attempt to resolve the regional request through a telephone conference with the appropriate technical staff, if possible. TS interpretations should be requested by a TIA.

If the request cannot be resolved by telephone conference, the region will prepare a TIA. The TIA should contain a plan that outlines the actions to be taken, with requested due dates, and assigns specific actions to various NRR and regional organizational units. The principal function of the TIA is to ensure a clear understanding of which office is responsible for various elements of the NRC response, thereby avoiding duplication of effort. The TIA will be transmitted from the regional division director to the appropriate NRR project director.

The PM will coordinate the NRR staff effort to ensure that the TIA response is completed in a timely manner, and will track time spent on the effort against a specific TAC number. The PM also will distribute the TIA requests and their resolutions to appropriate regional staff and headquarters technical staff, and to Docket/Central Files.

3.1.6 Technical Assistance Contracts

NRR often uses program support funds to contract with national laboratories or other organizations to provide technical assistance to the NRR staff. Most of these funds are administered by the branches performing technical reviews, but a PM may be called upon to administer a contract. NRR Office Letter No. 202, "Procedures for the Administration of Technical Assistance Contracts," and NUREG/BR-0101, "Procedures for the Administration of Technical Assistance Contracts," provides NRR's procedures for

contract management.

Many licensing actions are reviewed by contractor personnel under the management of contract managers. The PM must be aware of the status of the contractor review and must manage the aspects of the review that have to do with licensee contacts. The PM typically does not interact directly with the contractor. The PM should adhere to the following procedures related to the use of contract assistance in preparing safety evaluations.

- Information obtained from licensees that is used as a basis for safety evaluations should be docketed.
- All telephone contacts with the licensee should be made through the PM. The PM need not be present for the entire phone call when matters of clarification are being discussed, but must be present when the licensee is requested to provide additional information or commitments. If the PM is unavailable, the backup PM or the project director should be contacted.
- If, as a result of telephone discussions, additional information or commitments are deemed necessary for completing the review, this fact should be prepared by the contractor reviewer for transmittal to the licensee promptly upon completion of the telephone discussion. The PM will determine whether to transmit the request to the licensee on the basis of the significance and complexity of the questions and the licensee's oral commitment to provide a timely response.

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2.1 Background

This section provides a brief overview of the legal authorities, mission, organization, and principles of the NRC. This background information is intended to provide the PM with a frame of reference for understanding the overall expectations, functions, and interactions of the PM discussed in Sections 2.2, 2.3, and 2.4.

2.1.1 Legal Authorities

The NRC was created as an independent agency by the Energy Reorganization Act of 1974, which abolished the Atomic Energy Commission (AEC) and moved the AEC's regulatory function to NRC. This act, along with the Atomic Energy Act of 1954, as amended, provides the foundation for regulation of the nation's commercial nuclear power industry. Other important statutory authorities that govern the regulation and operation of nuclear power plants include:

- National Environmental Policy Act of 1969, as amended
- Nuclear Non-Proliferation Act of 1978
- Low-Level Radioactive Waste Policy Act of 1980
- Nuclear Waste Policy Act of 1982
- Low-Level Radioactive Waste Policy Amendments Act of 1985
- Nuclear Waste Policy Amendments Act of 1987
- Energy Policy Act of 1992

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Based on these and other applicable statutes, NRC regulations are issued under the United States Code of Federal Regulations (CFR) Title 10, Chapter 1.

The PM may find these legal references either in the NRC Library in TWFN or in the NRC Law Library in OWFN.

2.1.2 NRC Mission

The mission of the NRC is to ensure adequate protection of the public health and safety, the common defense and security, and the environment in the use of nuclear materials in the United States. The NRC's scope of responsibility includes regulation of commercial nuclear power reactors; nonpower research, test, and training reactors; fuel cycle facilities; medical, academic, and industrial uses of nuclear materials; and the transport, storage, and disposal of nuclear materials and waste.

2.1.3 Organization of the NRC

NUREG-0325, "U.S. Nuclear Regulatory Commission Functional Organizational Charts," provides details

on NRC's organization. This NUREG is revised frequently to reflect the many reorganizations that occur as the NRC seeks improved ways to fulfill its mission. The NRC External Home Page on the Internet provides updated organization charts and describes the various components of the organization, including the Commission, the major offices (e.g., EDO, NRR, regional offices), and staff office divisions and branches. This home page also includes announcements on planned reorganizations.

2.1.4 NRC Principles of Good Regulation

The NRC adheres to the following five Principles of Good Regulation: independence, openness, efficiency, clarity, and reliability. Each one of these principles is discussed below.

Independence

Nothing but the highest possible standards of ethical performance and professionalism should influence regulation. However, independence does not imply isolation. All available facts and opinions must be sought openly from licensees and other interested members of the public. The many and possibly conflicting public interests involved must be considered. Final decisions must be based on objective, unbiased assessments of all information, and must be documented with reasons explicitly stated.

Openness

Nuclear regulation is the public's business, and it must be transacted publicly and candidly. The public must be informed about and have the opportunity to participate in the regulatory processes as required by law. Open channels of communication must be maintained with Congress, other government agencies, licensees, and the public, as well as with the international nuclear community.

Efficiency

The American taxpayer, the rate-paying consumer, and licensees are all entitled to the best possible management and administration of regulatory activities. The highest technical and managerial competence is required, and must be a constant agency goal. NRC must establish means to evaluate and continually upgrade its regulatory capabilities. Regulatory activities should be consistent with the degree of risk reduction they achieve. Where several effective alternatives are available, the option which minimizes the use of resources should be adopted. Regulatory decisions should be made without undue delay.

Clarity

Regulations should be coherent, logical, and practical. There should be a clear nexus between regulations and agency goals and objectives whether explicitly or implicitly stated. Agency positions should be readily understood and easily applied.

Reliability

Regulations should be based on the best available knowledge from research and operational experience. Systems interactions, technological uncertainties, and the diversity of licensees and regulatory activities must all be taken into account so that risks are maintained at an acceptably low level. Once established, regulation should be perceived to be reliable and not unjustifiably in a state of transition. Regulatory actions should always be fully consistent with written regulations and should be promptly, fairly, and decisively administered so as to lend stability to the nuclear operational and planning processes.

2.1.5 Discussion on Safety and Compliance

As commonly understood, safety means freedom from exposure to danger, or protection from harm. In a practical sense, an activity is deemed to be safe if the perceived risks are judged to be acceptable. The Atomic Energy Act of 1954, as amended, establishes "adequate protection" as the standard of safety on which NRC regulation is based. In the context of NRC regulation, safety means avoiding undue risk or, stated another way, providing reasonable assurance of adequate protection for the public in connection with the use of source, byproduct and special nuclear materials.

The definition of compliance is much simpler. Compliance simply means meeting applicable regulatory requirements.

What is the nexus between compliance and safety?

1. Safety is the fundamental regulatory objective, and compliance with NRC requirements plays a fundamental role in giving the NRC confidence that safety is being maintained. NRC requirements, including technical specifications, other license conditions, orders, and regulations, have been designed to ensure adequate protection--which corresponds to "no undue risk to public health and safety"--through acceptable design, construction, operation, maintenance, modification, and quality assurance measures. In the context of risk-informed regulation, compliance plays a very important role in ensuring that key assumptions used in underlying risk and engineering analyses remain valid.
2. Adequate protection is presumptively assured by compliance with NRC requirements. Circumstances may arise, however, where new information reveals, for example, that an unforeseen hazard exists or that there is a substantially greater potential for a known hazard to occur. In such situations, the NRC has the statutory authority to require licensee action above and beyond existing regulations to maintain the level of protection necessary to avoid undue risk to public health and safety.
3. The NRC has the authority to exercise discretion to permit continued operations--despite the existence of a noncompliance--where the noncompliance is not significant from a risk perspective and does not, in the particular circumstances, pose an undue risk to public health and safety. When non-compliances occur, the NRC must evaluate the degree of risk posed by that non-compliance to determine if specific immediate action is required. Where needed to ensure adequate protection of public health and safety, the NRC may demand immediate licensee action, up to and including a shutdown or cessation of licensed activities. In addition, in determining the appropriate action to be taken, the NRC must evaluate the non-compliance both in terms of its direct safety and regulatory significance and by assessing whether it is part of a pattern of non-compliance (i.e., the degree of pervasiveness) that can lead to the determination that licensee control processes are no longer adequate to ensure protection of the public health and safety. Based on the NRC's evaluation, the appropriate action could include refraining from taking any action, taking specific enforcement action, issuing orders, or providing input to other regulatory actions or assessments, such as increased oversight (e.g., increased inspection).
4. Where requirements exist that the NRC concludes have no safety benefit, the NRC can and should take action, as appropriate, to modify or remove such requirements from the regulations or licenses. Requirements that are duplicative, unnecessary, or unnecessarily burdensome can actually have a negative safety impact. They also can tend to create an inappropriate NRC and licensee focus on "safety versus compliance" debates. As the Commission states in its Principles of Good Regulation, "There should be a clear nexus between regulations and agency goals and objectives, whether explicitly or implicitly stated."
5. Since some requirements are more important to safety than others, the Commission should use a risk-informed approach wherever possible when adding, removing, or modifying NRC regulations, as well as when applying NRC resources to the oversight of licensed activities (this includes enforcement). Based on the accumulation of operating experience and the increasing sophistication of risk analysis, the NRC should continue to refine its regulatory approach in a manner that enhances

and reaffirms our fundamental safety objective.

These principles attempt to describe the nexus between compliance and safety. The misperception that compliance and safety are somehow incompatible or unrelated arises when the principles just outlined are not understood or are wrongly applied. When understood and applied correctly, the result should be a consistent, credible regulatory approach--as applied to licensing, inspection, enforcement, performance assessment processes, and rulemaking.

Reference:

Memorandum from John Hoyle to L. Joseph Callan titled, "Staff Requirements - COMSAJ-97-008 - Discussion on Safety and Compliance" dated August 25, 1997.

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2.3 Overall Functions of the Operating Reactor PM

The PM serves as the Headquarters focal point for all activities related to his or her plant. In this regard, the PM performs two primary functions. First, the PM maintains the license for his or her plant. Second, the PM supports the region in monitoring the licensee's onsite activities and performance.

In performing the license maintenance function, the PM prepares a number of documents, such as safety evaluations, Federal Register notices, license amendments, hearing testimony, orders, exemptions, and relief requests, using input provided by technical review branches, the Office of the General Counsel (OGC), the region, or support contractors. Preparation of these licensing documents often involves interaction with the licensee's top-level technical and supervisory personnel as well as with NRC management. The PM is involved with a licensing action from "cradle" to "grave." Although the issuance of a licensing document may be considered to complete a major milestone, the task is not completed until it has been implemented by the licensee and, in many cases, until some NRC component has verified its completion.

In the review of licensing tasks of an operating facility, ~~NRR must ascertain the current licensing basis from available documents, access to information systems, and/or by audit of licensee statements and references. The PM usually should review the applicable portions of the updated final safety analysis report (UFSAR) or environmental report (ER) (when appropriate), references provided by the licensee, and relevant technical specifications, including TS design features, safety evaluation reports (SERs), and approval letters known to have been issued to the licensee on the topic.~~

In monitoring the licensee's onsite activities and performance, the PM performs a number of activities including conducting 10 CFR 50.59 reviews, preparing input to systematic assessment of licensee performance (SALP) reports and senior management meetings, participating in weekly region/OE conference calls, preparing daily or director highlights, conducting site visits, participating in inspections, delivering briefings to NRR HQ management in response to an accident or incident at the PM's assigned plant, and performing reviews of plant-specific events and issues. The PM works closely with regional counterparts, particularly the resident inspector, in carrying out this function.

In addition to these two primary functions, a PM may become involved in various collateral tasks. The PM may be required to answer principal correspondence that includes congressional inquiries, requests for information from concerned citizens, and Freedom of Information Act (FOIA) requests. The PM may be designated a "lead PM" for the coordination of multiplant actions (MPAs) or may be assigned responsibility in regard to unresolved safety issues (USIs). In addition, the PM may be called on to participate in the development of regulations, regulatory guides, or NUREGs. The PM may be called on to participate in joint industry/NRC panels, most likely in the area of standards development.

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2.2 Overall Expectations of the Operating Reactor PM

The PM position is a critical position in the NRC. On a day-to-day basis, PMs carry out the mission of the NRC and represent the NRC to the public and licensees. Thus, PMs are expected to fulfill the highest levels of integrity and performance at all times. Additionally, PMs are expected to treat operating reactor safety as their first priority. Figure 2.2-1 lists the key expectations of the PM. These expectations were originally provided in a memorandum from J. Taylor to NRC technical staff, "NRC Technical Staff Performance Expectations," September 17, 1991, and were reissued in a memorandum from W. Russell to all NRR staff, "NRR Staff Performance Expectations," June 6, 1996. Both of these memoranda also discuss general expectations applicable to all NRR staff.

In addition to these memoranda, the PM Elements and Standards describe broad expectations of the PM. These elements and standards support the PM expectations listed in Figure 2.2-1 and are focused around the following six topics:

- Headquarters focal point for information and communication
- Licensee performance evaluation and analysis to focus NRC regulatory programs
- Project management and administration
- Documents - preparation/coordination
- Technical evaluations and special assignments
- Coordinate, participate in, and manage meetings, hearings, and briefings

More detailed expectations with respect to the areas of communications, meeting attendance, information management, knowledge of NRC and assigned plant, technical reviews, problem resolution, objectivity, and length of time on a plant are discussed below.

Communications

The PM is expected to have frequent communications with regional counterparts regarding regional and headquarters activities associated with the assigned reactor plant. The PM should attend significant regional and headquarters meetings for the assigned project, as discussed further below, and ensure that appropriate NRR staff are informed of such meetings. The PM should also inform the appropriate regional personnel of all headquarters meetings to be held with the licensee.

The PM should be aware of all regional and headquarters activities concerning the assigned plant. Just as the PM establishes working relationships with headquarters technical review managers and staff, equally close relationships must be established with the managers and staff who will implement inspection activities assigned to NRR headquarters and the regions. The PM is expected to have frequent face-to-face discussions with his or her regional counterparts (particularly the resident inspectors). The PM should make frequent visits to both the regional office and to the plant site with an agenda on performance evaluation, licensing activities, 10 CFR 50.59 reviews, and other regulatory initiatives. Of primary importance is the establishment of direct lines of communication with the regional office, the resident inspectors, and the licensee site management in order for the PM to be fully informed about all significant inspection and operational activities regarding the assigned plant.

Meetings to Attend

The PM is expected to attend the following meetings: Systematic Assessment of Licensee Performance (SALP) Boards, public SALP management meetings, Enforcement Conferences, and significant site meetings (e.g., exit interviews for major team inspections wherein significant findings were made). Attendance at all other meetings such as mid-SALP cycle self-assessments or meetings related to progress and performance in any SALP functional area is at the discretion of the PM with PD approval. If in question, the PM should discuss attending the meeting with his or her PD.

FIGURE 2.2-1

PROJECT MANAGER EXPECTATIONS

<ul style="list-style-type: none"> The PM maintains the focus of all project activities on safety 	<ul style="list-style-type: none"> Responses to public inquiries are developed in a timely manner responding directly to questions and concerns. All inquiries are treated with respect and given a professional response.
<ul style="list-style-type: none"> PMs are always alert for safety issues, even those outside their area of expertise. PMs are responsible for making concerns known to staff with the appropriate expertise for further evaluation. Compliance issues are referred to the region and OE for enforcement 	<ul style="list-style-type: none"> Responses to licensee inquiries and licensing actions are developed considering effective use of staff time and minimizing the impact on licensee resources.
<ul style="list-style-type: none"> Reviews and safety evaluations stand on the strength of technical excellence and not merely on the authority of our positions as regulators. 	<ul style="list-style-type: none"> Correspondence is clear and of high quality.
<ul style="list-style-type: none"> Discussions and reviews are based on agency wide positions, not on individual PM desires; therefore the application of regulatory policies is consistent from facility to facility. 	<ul style="list-style-type: none"> Communications with the licensee are open and forthright. Communications about the licensee and licensee personnel are contained within the regulatory framework.
<ul style="list-style-type: none"> PMs are alert to potential backfit issues. When identified, the PM coordinates the staff action to determine and resolve the potential backfit as delineated in agency backfit procedures. 	<ul style="list-style-type: none"> Analysis of licensee management effectiveness is based on results of objective assessment of management efforts and not on opinions, styles, popularity, or personal preference.
<ul style="list-style-type: none"> PMs communicate effectively with other NRC offices to ensure a consistent approach when dealing with licensees. 	<ul style="list-style-type: none"> Licensee initiatives that have positive results are encouraged and recognized. Care is taken not to discourage such initiatives. Alternate methods of approach proposed by licensees are carefully considered with the final decision being based on the objective assessment of all information.

<p>PMs maintain an open dialogue with resident and regional personnel who have responsibilities related to their projects.</p>	<ul style="list-style-type: none"> • PMs demonstrate independence and objectivity in all dealings with the public, intervenor groups, and licensees.
<p>NRC management is promptly involved when fundamental differences cannot be resolved among the PM, the technical reviewers, and the licensee.</p>	<ul style="list-style-type: none"> • PMs are responsible for keeping abreast of technological developments in support of their project.
<p>The PMR accurately reflects the current status of the project in all data fields.</p>	<ul style="list-style-type: none"> • Standards of professionalism of PMs must match the high standards expected of licensee personnel.

Information Management

The PM is expected to be the focal point of information for the plant and is the only person who has a view of all total aspects of the plant. The PM should maintain the updated safety analysis report (UFSAR), environmental report (ER), and other documents for ready access by the technical staff, in-house contractors, and other NRR personnel. In addition to the most recent version of the UFSAR and ER, the PM should have immediate access to copies of the facility operating license including the license conditions and technical specifications and to orders, exemptions, the safety evaluation report (SER), SER amendments, and the final environmental statement (FES). The PM should also have either a set of the license amendments or an index of license amendments with number, issue date, topic(s), and microfiche location in the document control system (DCS or NUDOCS) files. A listing of the amendments for each plant may be accessed using NUDOCS by searching the entire database with DOCKET TYPE equal to "COLL" and DOCKET NUMBER set to the appropriate docket number (e.g., 05000250). The PM should have or be able to retrieve reliefs, orders, exemptions, and approval letters on issues imposed on the licensee as compliance backfits within a reasonable time period. All of these documents contain specific information to supporting licensee and NRC documents that may be found in the DCS.

The PM should maintain accurate files for actions under review and, to some extent, of past actions. The PM must know where and from whom to obtain specific information on all technical, legal, and procedural matters. It is the responsibility of a PM to be aware of those people who should possess information about the plant, and to obtain that information when required. The PM should be oriented toward early identification of problem areas, both technical and procedural. The PM should stay apprised of information received from reports prepared as a result of field inspections. When potential problem areas are identified, the PM must be ready to formulate or cause others to propose potential solutions for, or evaluations, of the problem areas. Because of this role as the focal point of information, the PM will be expected to display a high level of interest in regard to the plant.

The PM must be ready at all times to inform management about the status, problems, and progress of all aspects of the plant. The PM is responsible for transmitting information to and from the licensee and technical reviewers in a timely manner; for maintaining liaison with the Office of the General Counsel (OGC) with respect to processing license amendments, orders, exemptions, and reliefs; and for handling technical problems that may affect preparation for a hearing or the hearing itself. The PM is not a passive collector of information but is an active manager of the generation of safety information.

Role of NRC and Assigned Plant

The PM must be thoroughly familiar with how various components of NRC work to ensure safety of nuclear plants, in particular, how the resident inspectors and region-based specialists fit into the safety picture, and the review and evaluation role and the related scope of reviews performed by each of the responsible review branches, including the interactions between these branches. Such familiarity can be acquired through any of a number of means: frequent site tours, continuous phone contact with the resident inspectors and other specialists, participation in portions of special inspections, taking NRC courses on topics such as fundamentals of inspection and the regulatory process, and periodic meetings with regional personnel. Further, the PM must completely understand the applicable documents that provide the legal and technical basis for regulatory decisions and must ensure conformance to these documents during the conduct of the review process. The PM must exercise care, however, not to attempt to do the work of other NRC personnel without approval by management of the affected NRC components. The PM must be aware that his or her responsibilities are very broad, and that placing special emphasis on certain narrower activities would inadvertently result in unwarranted neglect of others, compromising the quality of the overall regulatory mission of the NRC.

The PM is expected to maintain a working knowledge of the assigned plant's current licensing basis and the interactions among components, systems, and structure that constitute the reactor plant. The PM is expected to be familiar with all NRC and licensee correspondence related to the assigned plant. This includes inspection reports, safety evaluation reports, generic letters, bulletins, information notices, enforcement correspondence, and licensee submittals. The PM must be able to identify necessary corrective action regarding any NRC action, inaction, or correspondence that is not consistent with licensing and inspection guidance and must ensure that corrective action is taken by the regional office or appropriate NRR staff.

Technical Reviews

In order to perform reviews and evaluations at a high level, the PM must have both technical knowledge and managerial expertise. When conducting reviews, the PM should, whenever possible, take into consideration the schedule of the licensee. In this respect, the PM should be familiar with the various groups within the NRC and should be able to schedule their input into licensing reviews efficiently. In the technical area, the PM must review and understand the efforts of others in highly specialized areas, developing comments and questions in regard to technical criteria and analyses, leading technical discussions, formulating overall technical judgments, and writing technical reports. The PM must direct technically oriented administrative work, and must act as liaison with the licensee's managerial and technical personnel and with contractors at the executive and middle management levels. The PM speaks for NRR on all technical aspects of nuclear facility design and operation as well as environmental impacts. The PM must be able to correlate the many facets of both nuclear and conventional technology that may influence the design and operation of a nuclear facility.

Problem Resolution

A PM must coordinate the activities of other experts, in addition to being a specialist on the plant. The PM must work to get the required effort from others in a timely and decisive fashion; this requires a certain quality of leadership, an understanding of management techniques, and an ability to communicate well. A PM must identify differences in viewpoint, and either resolve them outright, resolve them in concert with others in the NRC organization, or request management resolution, as appropriate. The PM resolves the great majority of controversial items through discussions with appropriate staff. The highly technical environment and the many-faceted technical specialties place the PM in the role of achieving resolution by exerting technical leadership, using judgment, rationality, and persuasion rather than unilateral direction or authoritarian command.

Objectivity

To assess the adequacy of program guidance (e.g., inspection procedures, tools and resources) and verify the adequacy of staff performance, line management needs to conduct direct observation of ongoing staff activities. It is important to ensure that the staff maintains its objectivity when dealing with the licensee. PM objectivity is demonstrated by the manner in which the PM conducts the business of the NRC, including interfacing with the public, maintaining unbiased personal/ organizational relationships, and being free from both partiality and antagonism toward a licensee or vendor, or the employees of a licensee or vendor.

~~In order to avoid actual or perceived loss of objectivity, the PM should:~~

- ~~• Independently verify licensee-provided information.~~
- Adhere to NRC regulatory positions and policies when discussing issues with licensee or NRC management.
- Maintain a professional relationship with the licensee using good interpersonal skills.
- Provide an accurate and balanced account of licensee performance and plant conditions in communication with NRC management.
- Focus on safety significant concerns, interfacing with regional counterparts when required.
- Appropriately respond to issues or events during normal and off-normal working hours.
- Develop issues fairly and objectively, without biased interpretation of facts.

Length of Time on a Plant

The desired maximum tenure for a PM assignment to a given plant is 5 years. Though plant and/or personnel issues may lead to deviations from this guidance, PMs are normally reassigned after this time in order to ensure a fresh perspective. When a PM has been on a plant for 4 years, discussions should be held with the PD and division management about reassignment opportunities. Earlier transfers can be made when consistent with agency needs, but, in order to maximize productivity and provide consistency, a PM should expect to remain on a plant for at least 3 years.

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2.4 General Interactions

This section describes the key interactions that the PM should undertake with the licensee and other important NRC offices or staff.

2.4.1 Interactions with the Licensee

The licensee bears primary responsibility for resolving safety and environmental concerns. In general, the licensee should make proposals for resolving problems with a minimum of input from the PM as to the appropriateness of the proposal. The PM can then evaluate the licensee's proposals independently. However, the PM must also be familiar with schedular requirements as well as the nature of the proposal so that guidance can be provided to ensure timely resolution. For example, if action by the licensee is required at a forthcoming reactor outage to resolve a problem, and if it appears that the action has significant scheduling impact on the outage, the PM should assure himself/herself that the proper actions are being taken. In addition, the PM should provide guidance by informing the licensee of established staff positions pertaining to any licensee submittal in progress. The PM should seek to eliminate "ratcheting" in which the licensee is called upon to accomplish successive incremental improvements or to respond in areas in which the scope of the NRC reviews exceeds that which is required. The PM should, however, know current backfitting positions and ensure that such positions are implemented as, and when, appropriate (see [Section 4.6](#)).

Information provided by a licensee, upon which an action is to be based, should be in the form of a docketed submittal by the licensee. When time limitations demand, clarifying information can be obtained by telephone or in meetings. Oral communications should not be used as a licensing basis. If the information obtained from the licensee during a telephone conversation or a meeting is to be used as part of the basis for the action under consideration, the licensee must confirm the information in writing before completing the action.

When meetings are to be held, the PM is responsible for informing all attendees, obtaining a room and equipment, preparing an agenda, and issuing a meeting notice (see [Section 5.3.1](#) on conduct of meetings). Meetings with the licensee, to discuss and resolve pertinent issues, are scheduled and conducted in an open and forthright manner that reflects the importance of the issue and the licensee's need. The PM should maintain a goal-oriented, non-confrontational atmosphere during the conduct of meetings.

When initially responding to an event, the NRC is dependent upon information provided by licensees and inspectors at the plant (typically resident inspectors). This information is used for initial assessments and response decision-making. Licensee information is typically provided via notification to the NRC Operations Center pursuant to 10CFR 50.72 and/or conference calls between the staff and the licensee. The NRC values conference calls as an efficient method of obtaining accurate and timely information. Also, they promote a mutual understanding of the facts and any concerns.

When conference calls are held during an ongoing event or situations where heightened licensee attention is being directed to a plant evolution, caution is needed in scheduling and conducting the call. While information obtained in a conference call is extremely valuable to the NRC's overall understanding of a plant event, the overwhelming goal is that a conference call will not interfere or detract from the licensee's ability to safely operate the plant. The guidance of NRC Inspection Manual Chapter 2515, paragraph 12.07, should be utilized for conducting conference calls with licensees during abnormal plant conditions.

Letters provide the primary formal means of communication with the licensee. Policy requires that communications to which the NRC responds or that enter into NRC evaluations must be submitted in writing. NRC regulations, 10 CFR Parts 2 and 9, require that correspondence between the licensee and the staff be made available to the public. In writing letters, the PM should attempt to use wording so that, where possible, action is completed in a single letter. Frequently, additional information is requested of the licensee. In these cases, the PM should understand and agree with the questions being asked, no matter which staff group generates the questions. Questions should be worded with care to ensure that they evoke a response that is useful in the decision-making process. Requests of the licensee for action or additional information should be accompanied by an agreed-upon completion date. The request for information may be discussed with the licensee to allow clarification or additions that will avoid misunderstanding or incomplete responses. See Section 4.2 on preparing requests for additional information.

The PM coordinates all NRR correspondence to the licensee, concurs in it, and usually the PM (or someone in the management chain) signs the letter. NRR Office Letter No. 101, Delegation of Signature Authority, indicates the individuals that have signature authority for certain documents and correspondence.

The PM should provide all regulatory decisions that are made in response to licensee applications or licensee responses to Bulletins, Generic Letters, 50.54(f) letters or other regulatory issues, in writing. These written decisions, usually in the form of Safety Evaluations (SEs), must provide the proper technical, safety and legal basis that coherently supports the staff's conclusion, with reference to the appropriate guidance documents, as explained in Section 4.3, "Safety Evaluations." Should the licensee revise its previously submitted and NRC-approved response to a Bulletin, Generic Letter, 50.54(f) letter or other regulatory issue, the PM should ensure that the revised SE not only follows the guidance in Section 4.3, but that the revised SE also has the same amount of rigor, or detail, that was in the original SE. In short, the NRC staff should not make regulatory decisions without providing a proper technical, safety and legal basis.

Notwithstanding the above, there are some cases where the staff intentionally does not perform a detailed review in response to certain Bulletins, Generic Letters, etc. For these issues, the staff must ensure that the requested actions are adequately addressed by the licensee. The PM subsequently sends the licensee an acknowledgement letter, with a caveat stating that the licensee's response may be subject to future inspection or auditing. In these cases, a large part of the staff's basis for the acknowledgement closeout letter is the future inspection of all plants (or a sample of plants). It is therefore acceptable for the PM to issue an acknowledgement letter in response to licensees that revise their previously completed response to certain issues, if it is consistent with what the staff did previously for those issues. However, the PM should ensure that no safety concerns exist and obtain the concurrence of the Lead Technical Branch and the Project Director.

In all communications, the PM should respect the position of the licensee. Discussions specific to the licensee's plant should be held with the licensee rather than with others, such as vendors, unless the licensee has specifically identified agents for certain purposes. Along the same lines, technical review branches and their consultants should not communicate directly with the licensee. Such communications should be arranged through the PM.

Also, during communications with the licensee (i.e., when the PM becomes aware of a modification that is planned without prior NRC approval), the PM should inform the licensee that it is unacceptable for the licensee to implement modifications prior to submitting related applications for, and receiving NRC approval on, exemptions to the regulations or license/technical specification amendments. Regarding

requests for exemptions to the regulations, the PM should remind the licensee that the licensee must comply with the regulations while NRC's review of the application is ongoing, and if the request for exemption is denied, the licensee must continue to comply with the regulations (note that Generic Letter 91-18 addresses the discovery of degraded or nonconforming conditions). The same logic is also true for requests for changes to the license/technical specifications; they also require prior NRC approval. The PM should also remind the licensee of the following points if the licensee chooses to implement modifications without prior NRC approval: (1) the licensee needs to do the appropriate 50.59 evaluation, (2) the licensee is proceeding at the licensee's own risk, and (3) no NRC approval is expressed or implied by any verbal statements made (or not made) by the PM.

Per 10 CFR 50.59, "The holder of a license ... may make changes in the facility ... without prior Commission approval, unless the proposed change ... involves a change in the technical specifications ... or an unreviewed safety question." There are 3 ways that a change to the facility may involve a change to a technical specification (TS): (1) adding a new TS, (2) deleting an existing TS, or (3) changing an existing TS. Presumably, a licensee should know that it cannot make a change to the facility that involves a deletion or a change to an existing TS without prior NRC approval, due to 10 CFR 50.59 and 10 CFR 50.90. Therefore, perhaps the only area for potential confusion is addition of a new TS.

During communications with the licensee, the PM may need to remind the licensee that just because the licensee's long-term plan is to add TSs voluntarily for a "safety- enhancement" modification, this doesn't necessarily mean the TS change can be applied for after the modification is implemented. This is because the licensee also has to look at the unreviewed safety question and apply it to the entire change (i.e., a non-single-failure proof modification, while improving the consequences of some accidents, may worsen others, or create a new type of accident). Also, the addition of TSs to cover a modification may be required (and not voluntary), per 50.36.

If the license is chronically late in responding to requests for submittals of additional information, action appropriate to the circumstance should be initiated. The first action generally should be telephone contact with the licensee's representative. The licensee's representative should be informed that additional action may be forthcoming. If the telephone contact does not result in satisfactory improvement, the PM should use more formal means of communication, such as letters. In any event, the PM must pursue the matter to a satisfactory conclusion. The systematic assessment of licensee performance (SALP) report (see Section 5.1.4) may be used to document consistently inferior quality or consistent lateness of licensee submittals.

2.4.2 Interactions with the Regional Office

With regard to an operating reactor, the appropriate regional office (RO) has the lead responsibility for assessing the safe operation of the facility and for determining that it operates within the limitations of the application, the license, the updated final safety analysis report (UFSAR) and the pertinent sections of the Code of Federal Regulations (CFR). NRR and RO share the responsibility for early identification of problems and for arriving at an accurate identification of strengths and weaknesses in licensee safety performance. The major activity in which the RO engages to fulfill this responsibility is the conduct of inspections. The RO has a range of enforcement actions available for obtaining compliance with NRC requirements, including assessment of civil penalties (see Section 5.8 for the PM's role in enforcement activities).

The PM and the resident inspector (RI) for an operating reactor share the responsibility for assessing safe operation of their assigned nuclear power plant. Therefore, the PM and RI must develop and maintain a strong and effective working relationship.

The PM and RI will assist and augment each other in their respective principal responsibilities. The PM does not direct the actions of the RI, nor does the RI direct the actions of the PM. Requests for action by either party should be directed to the project director or regional branch chief. Examples of the PM and RI assisting and augmenting each other include the following:

1. The PM should keep the residents informed of significant plant-specific and generic issues concerning the facility license under review and approved by NRR, regulatory commitments made to NRC in connection with the requested licensing action which are a significant part of the basis for the staff's approval, and of licensing actions to be initiated by NRR. The sharing of details should include any information regarding licensee's schedules and/or completion dates. Requests for verification by the resident of licensee statements relied upon by the staff should be conducted by the PD and branch chief (further guidance will be provided on verification of commitments at a later date). The RO and RI should provide relevant insights into licensing matters under review by the PM. The purpose of this is to avoid blind spots in the agency's inspection and licensing activities.
2. The RI and PM hold periodic phone calls to discuss topics such as facility modifications, significant events, significant noncompliance, enforcement actions and allegations.
3. If necessary, the PM may cover for the senior resident inspector. In this case, the PM should review regional guidance on resident duties, contact the appropriate regional branch chief and resident inspectors to receive an update on ongoing plant issues, assure knowledge of what to do during an event and availability to respond, review the site integration matrix, make arrangements with the resident staff to obtain a pager while onsite, assure the licensee knows to notify you as they would the resident staff in the event of any plant problems, assure that the licensee and branch chief know your location (hotel telephone number and room number), and attend the plant's morning meetings.

~~At the minimum, the PM and RI should exchange phone calls several times each week to discuss the status of the plant. In practice, most PMs and RIs maintain frequent telephone contact. The call should be used for routine matters. Nonroutine events/issues should be communicated by the RI or PM as soon as possible consistent with the safety importance of the event/issue. PM daily highlights (see Section 5.2.3) should be relayed to the RI. Preliminary Notifications (PNs) and Morning Reports (MRs) are generated by the RI and other RO staff. Generally, daily highlights are issued by the PM, and PNs and MRs are issued by the RO regarding events at the facility. Each is an early warning to inform management of some event or activity of note. The decision to issue a daily highlight is left to the PM's judgment. The philosophy is generally, if in doubt, issue a highlight; however, a daily highlight that duplicates a PN or MR is not necessary. The PM should keep the regional office informed of their intent to issue a highlight on a given topic and let them know the general gist of the writeup so that the regional office is generally aware of the content of the highlight.~~

Communication with the RO through the RI and the appropriate projects branch in the RO should be established and maintained. The PM should arrange to visit the RI at the site periodically to become better acquainted with the plant, its systems and special features, and its staff in association with the RI. To the maximum extent possible, these visits should also be used to perform field observations and verifications of licensing matters under review by the PM. It is important to demonstrate a unity of purpose between the PM and the RI in carrying out their respective responsibilities. Site visits should be arranged consistent with the work schedule of the PM and RI. Such visits should be made at least quarterly, and more frequently when issues warrant. However, the exact frequency and duration of these visits should be determined between the PM and his or her management.

It is of paramount importance that the PM and RI thoroughly understand each other's functions and remain knowledgeable of current issues in which each is involved. To achieve this understanding, the PM should use telephone calls and accompany the RI or other region-based specialists in conducting portions of

inspections during the PM's site visits (see Section 5.1.7, Participation in Regional Inspections), and to become familiar with the plant.

The RI reviews operational reports on the facility and, being on the site, is particularly knowledgeable about the plant and its personnel. The RI can often supply valuable information to support the review of licensing actions. The RI should be kept advised of licensing activities, especially those that directly involve the plant site such as visits and the issuance of amendments. In working with the RI, the PM must bear in mind that matters of policy, position, or interpretation should also be communicated to the RO. However, the RI should not be used as the sole source of information for the PM.

2.4.3 Interactions with the Technical Review Divisions

The technical review divisions provide technical support in various review areas. The PM must decide to what extent technical personnel should participate in a review.

When assistance is required from a technical review branch, the PM must identify all the pertinent technical issues that must be addressed. For each issue, the PM should identify the appropriate review branch(es), prepare a technical assignment control (TAC) form, and transmit a work request form (see Section 3.1.1, TAC Numbers and Work Request Forms). Often a contractor performs the review. In this case, the contractor provides a technical evaluation report (TER) and the responsible review branch must review the TER and incorporate it into a safety evaluation (SE). The SE is provided to the PM by memorandum.

When drafting meeting summaries, the PM should include technical staff involvement if appropriate (with concurrence if significant). The PM also will interact with other technical personnel during Advisory Committee on Reactor Safeguards (ACRS) meetings (see Section 5.5) and during hearings (see Section 4.15). In these situations, the PM coordinates the presentations.

2.4.4 Interactions with the Office of General Counsel

OGC is responsible for assuring the PM that all licensing actions comply with applicable parts of the CFR and the license, and that the proper legal findings have been made.

The principal form of interaction with OGC is concurring on licensing documents. The OGC attorney reviews the entire document, or parts thereof, depending on the transmittal instructions. OGC concurrence does not necessarily mean concurrence in the approach or technical aspects of the issue or resolution, but rather that the legal counsel has no legal objection to the proposed action. Often the OGC comments are aimed at putting a document into a form or with content that will readily satisfy any anticipated follow-on legal process. The PM should work closely with the OGC representative to satisfy this aim and to incorporate comments and changes. Orders, exemptions, directors' decisions, amendments, and documents of this nature are reviewed by OGC attorneys. Licensing assistants maintain a list of the types of documents that should be reviewed by OGC.

It is OGC policy to attempt to process licensing actions sent to it within 5 working days of their receipt, and OGC has committed to take no more than 10 working days. If an action is identified as urgent, it will be processed in 2 working days or less, depending on the degree of urgency. As with all scheduling, significant delays in obtaining concurrence should be identified and escalated through management channels. The OGC attorney works informally with the PM; for example, the OGC attorney may be asked to review drafts of material. In addition to the concurrence function, the attorney and the PM function as a team to provide vital input to the preparation of, and NRC participation in, public hearings (see Section

4.15).

2.4.5 Interactions with the Office of the Secretary

The Office of the Secretary (SECY) provides complete secretarial services required for the discharge of Commission business and implementation of Commission decisions. This office controls the scheduling of Commission business. It also plays a key role in providing Commission documentation to the public.

Project managers may be involved with issues that require that a negative consent paper be sent to the Commission for review. A Negative Consent Paper is a written issue paper, among other decision documents, which are best known as SECY papers that are submitted to the Commission by the Office of the Executive Director for Operations (EDO) or other offices reporting directly to the Commission. If an issue requires a negative consent paper, the project manager must check with the SECY/Operations Branch to ensure that any actions required by the Commission are taken prior to the PM taking any action. Note that in all cases, even if the time limit expires, the staff shall not take any actions associated with the issue until a formal staff requirements memorandum (SRM) is received from SECY (usually 10 business days). The EDO Procedures Manual (NUREG/BR-0072) and SECY Handout: Chapter II, Decision Documents, provides additional guidance on this topic.

In addition to interacting with the Office of the Secretary on Negative Consent Papers, PMs should be familiar with the functions of the Public Document Branch and the Docketing Services Branch of this office. The Public Document Branch maintains the Public Document Room, which is described in more detail in [Section 3.5.8](#). The Docketing and Service Branch is responsible for several activities in the regulatory and adjudicatory areas. It performs the following activities:

- develops and maintains official dockets of the Commission on matters involving hearings before the Commission, atomic safety and licensing boards, hearing examiners, the Atomic Safety and Licensing Appeals Board, and the Board of Contract Appeals, and releases orders from such hearings
- receives for the Commission and distributes requests for intervention in licensing proceedings
- coordinates issuance of all orders or promulgations of the Commission in such matters, ensuring notification of parties and appropriate public officials
- coordinates for the Secretary's signature all notices of rulemaking approved by the Commission for public issuance
- files with the Office of the Federal Register for publication all rules, notices, orders, and decisions required to be published in 10 CFR
- performs policy research in the above areas for the Commission, secretary, general counsel, the Executive Director for Operations, program offices, etc.
- arranges for staff-generated reports to be incorporated into hearing transcripts and for reproduction of these transcripts.

2.4.6 Interactions with Other Project Managers

In addition to seeking guidance from the project director and the assistant director, one of the principal techniques that a PM can employ to determine how a particular safety or environmental issue was resolved on another application is to contact other PMs who faced the same issue on another project. To increase the effectiveness and efficiency of PMs, extensive communication between PMs on common technical problems is encouraged. At times this may take the form of group discussion in which one or more of the PMs will relate experiences on a given new problem area. The dynamic nature of the review process and the constant evolution of reactor technology make all types of formal or informal liaison very important.

2.4.7 Public or Other Interactions

The PM has an obligation to be responsive to the public and should strive to ensure that any delays in completing reviews of proposed actions are those legitimately caused by safety or environmental considerations and not by unnecessary administrative delays. At the same time, the PM must ensure that no undue risks to the health and safety of the public or to the quality of the human environment will result from the proposed action or lack thereof. The PM must arrive impartially at a decision to approve or disapprove the proposed action with support as required from others within NRC. When responding to the public, orally or in writing, the PM should strive to clearly explain the relevant safety factors associated with decisions while avoiding discussions of those areas, such as economics, that are not within the purview of the NRC.

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3.1 Project Management Control

In managing the various types of reviews among the groups within the NRC, the PM uses project management controls. These controls serve one or both of two functions. First, they allow the PM to identify significant technical issues, establish the schedule within which they must be resolved, and determine a vehicle for their resolution. Second, they alert NRR management to existing or potential problems.

3.1.1 Technical Assignment Control (TAC) Numbers and Work Request Forms

NRR Office Letter No. 303, "NRR Office Workload Procedures Manual," provides procedures for preparing TAC forms and work request forms. A brief description of TAC numbers and work request forms is provided below.

The PM initiates any review by issuing a TAC form. The initiating event is generally an application from the licensee or an NRC action. In either case, the TAC form is filled out by the PM responsible for the facility, or by the lead PM in the case of an MPA, and is sent to the NRR Planning, Program and Management Support Branch for the issuance of a TAC number(s). Details for filling out a TAC form are provided in the Regulatory Information Tracking System (RITS) User's Guide (see [Section 3.5.2](#) for more information on RITS).

The TAC number will identify an action throughout the review and issuance of the licensing action. A TAC number should be issued for each facility on each action, and in the case of MPAs, there should also be a separate TAC number for the lead PM activity. TAC numbers are tracked on the Workload Information and Scheduling Program (WISP) computer system (see [Section 3.5.1](#)).

After a TAC number is obtained, the PM contacts the review section leader or branch chief believed to be responsible for the review and sends him or her a completed work request form, with the TAC number, nature of the review, and a proposed target date. When the form is signed by the review branch chief and returned to the PM, the review schedule is set. It may be changed by circumstances that occur after the schedule is issued, but only by negotiation with all parties concerned. A blank work request form may be obtained from the licensing assistant.

3.1.2 Project Manager's Report

The Project Manager's Report (PMR) is a listing of all active licensing actions and their status and projected completion dates. It can be viewed and manipulated on WISP and printed out if desired. As necessary, the PM should update the PMR to reflect the current status of assigned licensing actions.

3.1.3 Lead Project Manager

A PM may be assigned to serve as a lead PM in the coordination and evaluation of generic and potentially generic safety and environmental concerns related to operating reactors. These efforts are known as multi-plant actions (MPAs). Being a lead PM involves a significant amount of responsibility. A summary of these responsibilities is provided below:

- project technical review resource needs and establish schedules to resolve the issue through consultation with the technical review branches
- ensure that the resolution is clearly defined and communicated to all parties
- inform the Project Director regarding potential problems needing attention
- coordinate plant-specific resolutions with individual plant PMs
- handle public and congressional correspondence related to the assigned issue
- coordinate and conduct public meetings on the assigned issue
- monitor implementation and verification status to ensure established schedules are acceptable and met
- ensure the status of MPAs is maintained on the Safety Issues Management System (SIMS).

See Section 5.2.6, Multi-Plant Actions, for more specific details on the actions that a lead PM implements in coordinating the resolution of an MPA.

3.1.4 Priority Determination for NRR Review Efforts

This section provides the general framework for defining the priority of review activities within NRR and gives examples of review tasks within each priority for operating reactors. PMs should refer to this guidance when scheduling and assigning review activities associated with his or her plant, and assign priority classifications to ongoing and future work based on this guidance. Most of the information included in this section is taken from a T. Murley memorandum, "Priority Determination of NRR Review Efforts," dated June 6, 1993. Information on the priority of cost beneficial licensing actions (CBLAs) was taken from a S. Varga memorandum, "Implementation of Tracking System for Cost Beneficial Licensing Actions (CBLAs)," dated February 15, 1994.

The priority of a review task is determined primarily on the basis of safety significance, risk considerations, and operational impact. Four levels of priority are broadly defined in Figure 3.1.4-1. As a general rule, the safety significance of an issue should be guided by an assessment of its risk significance. Issues that affect components or systems that play a major role in accident scenarios should be considered high-priority issues. Significant contributors to initiating events that may result in challenges to the plant are high-priority assignments and should have appropriate resolution dates. However, identifying components and systems as safety or non-safety items is not, in itself, sufficient justification for assignment of priorities. In some situations, priority is dictated by Commission or EDO directive resulting from policy considerations, or by statutory requirements such as deadlines imposed by rule or regulation. All these factors must be considered in defining the priority of a particular review task.

Examples of review activities related to operating reactors that fall into each priority category are provided in Figure 3.1.4-2. This priority scheme is not meant to be a rigid framework. Some assignments may not fall into the categories described. Allocation of resources will be guided by the principle that issues of greatest safety significance and most operational impact, as well as those areas that the Commission has identified as important, will be given a high priority and will have predictable review schedules. However, unlike past priority ranking systems, there is not necessarily a direct correlation between the assigned priority and the review completion date. A review of lower safety significance could be completed on a shorter schedule than a review that has more safety significance. Additionally, the Priority 4 category has been redefined for issues that management decides should be deferred or staff work discontinued.

There are many plant-specific licensing tasks for which there are no immediate safety benefits or detriments associated with their approval; however, there may be significant economic benefits to these actions. Licensing actions that have low safety impact (i.e., would not receive a priority of 1 or 2) and high licensee cost (\$100,000 or greater) are considered CBLAs and will be assigned a priority of 3. Licensees must specifically request that licensing actions receive consideration as a CBLA with supporting rationale.

Low safety impact licensing actions that do not provide a savings of at least \$100,000 will not be considered CBLAs and will receive a priority of 4.

Figure 3.1.4-1

Priority Levels for NRR Review Efforts

<u>Priority Level</u>	<u>Definitions</u>
<p>PRIORITY 1:</p>	<p>Highly risk-significant safety concerns that require firm commitment of resources</p> <p>Actions needed to prevent or require plant shutdown, allow restart, or prevent significant derate</p> <p>Issues for which immediate action is needed for compliance with statutory requirements or Commission and EDO directives</p>
<p>PRIORITY 2:</p>	<p>Significant safety issues that do not rise to the level of immediate action but require near-term staff evaluation</p> <p>Activities needed to determine the safety significance/generic implications of an operating event</p> <p>Activities needed to support continued safe plant operation, reload analyses, or evaluation of necessary modifications or enhancements</p> <p>Topical report reviews that will have extensive application in the short to mid-term, and whose application results in a significant safety benefit</p> <p>Licensing reviews for which safety evaluation reports must be prepared within six months for construction permit, operating license, preliminary design approval, or final design approval</p>
<p>PRIORITY 3:</p>	<p>Issues of moderate to low safety significance that do not directly impact plant safety</p> <p>Support for generic issue resolution and multi-plant actions</p> <p>Plant specific and topical report reviews with limited safety benefit but whose application offers operational or economic benefit</p>
<p>PRIORITY 4:</p>	<p>Items to be deferred or closed out without further staff review</p>

Figure 3.1.4-2

Examples of Actions/Issues Within Each Priority Category for Operating Reactors

<u>Priority Level</u>	<u>Examples of Actions/Issues</u>
<p>PRIORITY 1: High Priority</p>	<p>Immediate action usually required; review completion date must be met; firm commitment of resources required.</p> <ul style="list-style-type: none"> • operating plant safety issues of very high significance including: <ul style="list-style-type: none"> ◦ event analysis of a serious operating incident ◦ initial evaluation of unresolved safety questions to determine safety significance and generic applicability ◦ unsatisfactory license operator qualification program ◦ resolution of inspection team findings with high safety or safeguards significance • bulletin development and review of responses • significant non-compliance issues related to reactor vessel integrity • 10 CFR 50.54(f) letter development and review of responses • reactive team inspection support (AIT, IIT, Special Inspection) and activities directly related to plant restart decisions • support for court and licensing board hearings and response to interrogatories, 2.206 petitions, and EDO/Congressional ticket items • incident response center support • technical support for enforcement discretion or safety evaluations for license amendments or exemption requests for actions to prevent unnecessary reactor shutdown or startup delays or significant derating of the plant • ACRS/Commission briefings • technical support for orders issued to licensees • support for escalated enforcement actions • support for evaluating highly safety significant allegations and differing professional views/opinions • licensee performance evaluations to support SALP, senior management meetings, EDO and Commissioner meetings with licensee • reviews for lead plant or complete conversions to the improved STS
<p>PRIORITY 2: High Priority Near-Term</p>	<p>Short-term actions, minor changes to review completion date can be negotiated</p> <ul style="list-style-type: none"> • evaluation of operating events, inspection findings, and Part 21 reports to identify safety issues requiring action and assess licensee performance • assistance to regions including consultation on TS interpretation, and task interface agreements • significant safety, emergency planning and safeguards issues • reload reviews • development of multi-plant issues of high safety significance and review of licensee responses • decommissioning issues (exemptions, orders, reviews, etc.) • TS interpretations that could impact plant operation • power uprate proposals • preparation of generic communications on issues of moderate safety significance • review of 50.59 evaluations of highly safety-significant items (steam generator replacement, dry cask spent fuel storage installation)

	<ul style="list-style-type: none"> • replacement, dry cask spent fuel storage installation) • ISI/IST relief requests • generic STS line item improvements • pressurized thermal shock review and evaluation
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Figure 3.1.4-2 (continued)

Examples of Actions/Issues Within Each Priority Category for Operating Reactors

<u>Priority Level</u>	<u>Examples of Actions/Issues</u>
<p>PRIORITY 3: Low Priority</p>	<p>Longer-term actions, review completion date is flexible, items that are "marginal to safety"</p> <ul style="list-style-type: none"> • development of multi-plant actions of lower safety significance and review of licensee responses • surveillance program reviews • CBLAs • spent fuel pool expansion reviews not meeting Priority 1 or 2 • piping as-built/design non-conformance reviews • participation in ASME, ANS, and IEEE codes and standards activities • topical report reviews and code case reviews which are required to demonstrate compliance with the regulations or provide operating flexibility/economic benefit and are expected to have wide reference ability • safety-significant problems with the offsite dose calculations manual or radiological effluent technical specification, review of waste issues • severe accident policy implementation • support to RES on new generic issues of moderate safety significance • seismic hazard characterization • ISI/IST program implementation and relief requests not affecting continued operations or restart • proposed relief from previous commitments (e.g., EP, RG 1.97) • voluntary upgrades to safety systems (e.g., analog-to-digital conversions) • preparation/revision of inspection procedures, inspection manual chapters, NRC management directives • requests for TS amendments required for economic advantage (e.g., changes in core and equipment operating limits, limiting conditions for operation and surveillance requirements, deletion of equipment that is no longer used, administrative TS changes) • review of licensee self-initiated performance improvement programs developed in response to weaknesses in safety performance • technical support for allegations and differing professional opinions of low safety significance
<p>PRIORITY 4: Items That Can Be</p>	<p>Items that can be deferred or closed out without further staff review, e.g., issues not directly impacting plant safety, generic and confirmatory items with relatively low safety significance</p> <ul style="list-style-type: none"> • ASME code case reviews with limited applicability • long-term follow-up of events or inspection findings with low safety significance • preparation of generic communications that address items of low safety significance and

Deferred	<ul style="list-style-type: none">• administrative matters• technical support for new generic issues of low safety significance• changes to legally binding requirements (e.g., TS, license conditions) that are solely editorial
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The priority determinations will be reviewed semiannually at the NRR management meeting to determine how well the process meets the needs of this office. During the semiannual review, NRR managers will review discrepancies between work planned and work performed, and will assess the need for adjusting priority determinations.

3.1.5 Task Interface Agreements (TIAs)

NRR Office Letter No. 1201, "Control of Task Interface Agreements," provides procedures for processing regional requests for NRR assistance through TIAs. A brief discussion of TIAs is provided below.

NRR often receives requests from the regional offices for technical assistance. Examples of the type of assistance requested are:

- The regional office may decide that a specific plant event, inspection finding, or licensee notification involves the need for a licensing action.
- An event may have short-term generic implications for other plants.
- A regional office may need additional expertise or manpower in the exercise of its normal activities.
- A regional office may need a TS interpretation.

The appropriate PM should discuss the request with the region before a written request is prepared. Depending on the nature and the complexity of the request, the PM should attempt to resolve the regional request through a telephone conference with the appropriate technical staff, if possible. TS interpretations should be requested by a TIA.

If the request cannot be resolved by telephone conference, the region will prepare a TIA. The TIA should contain a plan that outlines the actions to be taken, with requested due dates, and assigns specific actions to various NRR and regional organizational units. The principal function of the TIA is to ensure a clear understanding of which office is responsible for various elements of the NRC response, thereby avoiding duplication of effort. The TIA will be transmitted from the regional division director to the appropriate NRR project director.

The PM will coordinate the NRR staff effort to ensure that the TIA response is completed in a timely manner, and will track time spent on the effort against a specific TAC number. The PM also will distribute the TIA requests and their resolutions to appropriate regional staff and headquarters technical staff, and to Docket/Central Files.

3.1.6 Technical Assistance Contracts

NRR often uses program support funds to contract with national laboratories or other organizations to provide technical assistance to the NRR staff. Most of these funds are administered by the branches performing technical reviews, but a PM may be called upon to administer a contract. NRR Office Letter No. 202, "Procedures for the Administration of Technical Assistance Contracts," and NUREG/BR-0101, "Procedures for the Administration of Technical Assistance Contracts," provides NRR's procedures for

contract management.

Many licensing actions are reviewed by contractor personnel under the management of contract managers. The PM must be aware of the status of the contractor review and must manage the aspects of the review that have to do with licensee contacts. The PM typically does not interact directly with the contractor. The PM should adhere to the following procedures related to the use of contract assistance in preparing safety evaluations.

- Information obtained from licensees that is used as a basis for safety evaluations should be docketed.
- All telephone contacts with the licensee should be made through the PM. The PM need not be present for the entire phone call when matters of clarification are being discussed, but must be present when the licensee is requested to provide additional information or commitments. If the PM is unavailable, the backup PM or the project director should be contacted.
- If, as a result of telephone discussions, additional information or commitments are deemed necessary for completing the review, this fact should be prepared by the contractor reviewer for transmittal to the licensee promptly upon completion of the telephone discussion. The PM will determine whether to transmit the request to the licensee on the basis of the significance and complexity of the questions and the licensee's oral commitment to provide a timely response.

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5.1 Evaluation of Licensee Performance

This section discusses the many processes that the PM uses to evaluate licensee performance. These processes involve reviewing inspection reports; conducting 10 CFR 50.59 reviews; assisting in the conduct of plant performance reviews (PPRs), systematic assessments of licensee performance (SALPs), integrated performance assessment processes (IPAPs), and senior management meetings; and participating in regional inspections.

5.1.1 Inspection Reports

Introduction

Inspection reports are one of the prime sources of information available to the PM to keep current on activities and performance of the nuclear plant to which he or she is assigned. Most such reports originate with the resident inspector or with regional inspection personnel. However, reports also are produced by the Division of Inspection and Support Programs (DISP), which is responsible for conducting a variety of team inspections of licensees.

Reviewing inspection reports enables the PM to gain a better understanding of how the regional personnel and other headquarters personnel view the facility and assists the PM in preparing input for the periodic SALP evaluations. Also the PM may detect a need to initiate a licensing action. For example, a cited noncompliance may be caused by ambiguous wording of a technical specification requirement.

Inspection reports are often the documentation a PM needs as proof of implementation of licensing actions or activities.

Policy

There is no published NRR policy or guidance procedures that specify the role of the PM relative to inspection reports. A memorandum from James Taylor, "NRC Use of INPO Evaluation Reports," provides policy and guidance regarding NRC use of INPO reports and other INPO-related site-specific information.

Process for Reviewing Inspection Reports

The regional office prepares reports of inspections conducted at the plant and the licensee's corporate office. NRC special inspection teams visit the plant periodically and report the results of their inspection activities. The results of INPO inspections are documented and made available at the plant for review by the NRC. The PM is expected to review and be cognizant of the significant aspects of all these reports and to be alert for actual or potential problems that may be revealed by the reports. Significant issues should immediately be brought to the attention of the project director and, if appropriate, to other NRR senior management. If a report documents any violation, the PM should discuss the violation with the author(s).

and/or the resident inspector to determine what corrective action is necessary and if NRR involvement is needed. Consultation with a technical review branch may be necessary. If the PM disagrees with any aspect of an inspection report, the PM should discuss the disagreement with the lead author of the report and take appropriate follow-up action.

References

- a. "NRC Use of INPO Evaluation Reports" Memorandum from J. Taylor to Regional Administrators; February 14, 1986.
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5.1.2 10 CFR 50.59 Reviews

Introduction

Under the provisions of 10 CFR 50.59, licensees are permitted to make changes to the facility and procedures, as described in the safety analysis report (SAR), and to conduct tests or experiments not described in the SAR, without prior NRC approval, provided a change to the technical specifications is not involved or the proposed change, test or experiment does not create an unreviewed safety question. The licensee must maintain records of such changes, supported by a safety evaluation which provides the basis for determining whether the change, test, or experiment involves an unreviewed safety question, and report such changes to the NRC in accordance with 10 CFR 50.59(b)(2).

In the past, PMs participated in the evaluation of the licensee's 10 CFR 50.59 safety evaluation program by conducting inspections in accordance with IP 37001, "10 CFR 50.59 Safety Evaluation Program." Often, this inspection was completed with minimal regional assistance. When the core inspection program (MC 2515, Appendix A, dated September 9, 1997) changed to incorporate IP 37001, which is to be done by the Region once per SALP cycle, the role of the PM changed to one of assisting the Region when practical.

Now, the Office-level operating plans have changed such that NRR has placed added emphasis on achieving its goals in the completion of licensing actions and activities. There is a limited budget for inspection support, primarily intended to support AITs, 40500 inspections, licensee commitment follow up, and 50.59 evaluations. Though PMs attain valuable insights regarding licensee performance during inspections, before a commitment is made to support inspections (other than AITs or IITs), the PD must assess the overall impact on achieving NRR goals. That is, the PD should determine what would not be accomplished if the PM is away. If a negative impact on deliverables is not expected and budgeted resources are available, then support for the 50.59 inspection should be provided.

Policy

Regulatory requirements related to making changes to an SAR or conducting tests or experiments not described in an SAR are contained in 10 CFR 50.59, "Changes, Tests, and Experiments." NRC Inspection Manual, Part 9900, "10 CFR 50.59 - Changes to Facilities, Procedures and Test (or Experiments)," discusses and provides examples of the types of changes that do, and do not, constitute changes subject to

the provisions of the regulation. NRC Inspection Manual, Part 9900, "10 CFR 50.59 - Interim Guidance on the Requirements Related to Changes to Facilities, Procedures and Tests (or Experiment)," clarifies staff practices with respect to 10 CFR 50.59. New, additional regulatory guidance on 10 CFR 50.59 implementation is being developed as discussed in SECY-97-035, "Proposed Regulatory Guidance Related to Implementation of 10 CFR 50.59 (Changes, Tests, and Experiments)."

Process for Conducting 10 CFR 50.59 Reviews

PMs will perform reviews of the summary descriptions of 50.59 facility changes at their assigned workstations. Also, the PMs are expected to interface with the region to evaluate licensee compliance with the requirements of Section 50.59 in the field.

1. Project Managers should maintain a current understanding (through site visits and routine discussions with the region and licensee staff) of significant modifications recently completed or being considered for the facility, licensee programs, licensee processes related to performing safety evaluations, and any remaining matters related to the control of changes using 10 CFR 50.59.

Project Managers should also maintain a list of issues expected to be addressed by the licensee in the periodic report of changes, tests and experiments submitted in accordance with 10 CFR 50.59(b)(2). This list should be used by the PM to ensure appropriate issues are identified in the periodic reports, based on PM knowledge of licensee changes and license submittals, and on knowledge gained during PM reviews and during discussions with the resident inspectors and the licensee.

2. Within 90 days of receipt, under a plant-specific TAC number, each PM should perform a review of the licensee's periodic report of changes, tests, and experiments submitted in accordance with 10 CFR 50.59(b)(2). This work would normally be completed at the PM's assigned workstation. Schedule exceptions should be negotiated with the respective Project Director. Since the PM should be aware of the changes through the activities in item (1) above, this review of the 50.59 periodic report should be confirmatory in nature.

This review should assess whether or not the licensee's submittal clearly describes each change in sufficient detail to determine if the licensee's conclusion that the change did not involve an unreviewed safety question appears reasonable. If this conclusion does not appear reasonable or the description is not sufficiently clear, NRR technical and/or regional staff should be consulted, if necessary, to help determine if additional inquiries are warranted or if items of potential generic interest are identified.

Questions or concerns identified during a review should be discussed with the region and addressed through telephone communications, onsite followup, and/or docketed correspondence with the licensee, as appropriate. PMs should discuss any significant findings with the regional counterparts and document the completion of the review with an input to be included in an inspection report.

This effort should require approximately 8 hours depending on the scope of the report submitted. Additional time will be required if significant issues are identified.

3. A PM should assist in the performance of a formal inspection of the licensee's 10 CFR 50.59 program each SALP cycle in accordance with IP 37001, as scheduled by the region. If a PM is not a qualified inspector, then the inspection should be performed while reporting to a qualified inspector. Typically, the 50.59 inspection is accomplished during the Engineering/Technical Support inspection performed by the regions, and the review of the 50.59 program is documented in that inspection report. The inspection should be documented in accordance with MC 0610 regarding the licensee's safety evaluation process and compliance with 10 CFR 50.59. Any potential violations should be discussed with the lead and/or resident inspectors. Regional management, in concert with OE and NRR as appropriate, will make final decisions regarding violations.

To be most effective and efficient, the PM, in coordination with the other inspectors, should select the 50.59 evaluations to be reviewed from the most recent licensee periodic report (as supplemented by a list of evaluations completed since report issuance, which the PM should request from the licensee) and inform the licensee ahead of time as to which evaluations are to be reviewed. A copy of the licensee's 50.59 procedures and training materials should also be obtained in advance if the 50.59 program structure will be evaluated during the inspection.

While at the site, the PM should attend the entrance and exit meetings with the regional inspectors and licensee management, and should negotiate assignments with the lead inspector. The PM should prepare and deliver to the appropriate inspector a "feeder" report concerning the results of his/her part of the 10 CFR 50.59 review. The format of this feeder report should be consistent with IMC 0610.

PMs should consider risk insights, both generic and site specific, in their sampling review and planning activities. Risk insights should be used in selecting the licensee's safety analyses to be reviewed during an inspection, selecting changes to evaluate as a result of the PM's review of the 50.59 periodic report, and selecting subjects for followup during site visits. For example, evaluations concerning risk-significant systems and/or components should be chosen for review.

Any lessons learned regarding the possible use of risk insights in reviews or inspections should be provided to the Project Director and to the Division of Inspection and Support Programs/Inspection Program Branch and the Division of Systems Safety and Analysis/Probabilistic Safety Assessment Branch.

References

- a. 10 CFR 50.59, Changes, Tests, and Experiments
- b. NRC Inspection Manual, Inspection Procedure 37001, "10 CFR 50.59 Safety Evaluation Program"
- c. NRC Inspection Manual, Part 9900, "10 CFR 50.59 - Changes to Facilities, Procedures and Test (or Experiments)"
- d. NRC Inspection Manual, Part 9900, "10 CFR 50.59 - Interim Guidance on the Requirements Related to Changes to Facilities, Procedures and Tests (or Experiment)"
- e. SECY-97-035, "Proposed Regulatory Guidance Related to Implementation of 10 CFR 50.59 (Changes, Tests, and Experiments)"

f. Memorandum from R. Zimmerman to ADPR PMs and Project Directors dated July 22, 1997

5.1.3 Plant Performance Reviews (PPRs)

Introduction

NRC assesses the performance of licensees of nuclear power plants and integrates information on performance through a number of different processes. One such process is the conduct of PPRs. The purposes of the PPRs are to provide NRC managers with short-term perspectives of licensee performance and to allow the managers to better plan inspections and effectively allocate inspection resources.

PPRs are performed at least semi-annually at each of the regional offices. PPRs involve a detailed review by regional staff of the findings of NRC inspectors, performance indicator data from the Office of Analysis and Evaluation of Operational Data (AEOD), licensee event reports, and enforcement actions.

PPR results are used as each region's primary source of information in assessing plant performance for the semi-annual Senior Management Meetings (see Section 5.1.6). PPR results also are used as input to SALP Boards (see Section 5.1.4).

Policy

NRC policy on evaluating licensees performance, including the conduct of PPRs, is contained in NRC Management Directive 8.13, "Evaluating the Safety Performance of Nuclear Power Reactor Licensees."

Process for Handling Plant Performance Reviews

A summary of typical PM activities related to assisting with the conduct of PPRs follows:

- Attend PPR meetings in person or by telephone as requested by the region.
 - Provide accurate interpretations and insights during PPR meetings.
 - Distribute and review PPR reports, as necessary.
-

References

- a. NRC Inspection Manual Chapter 2515, Light-Water Reactor Inspection Program - Operations Phase
 - b. NRC Management Directive 8.13, Evaluating the Safety Performance of Nuclear Power Reactor Licensees
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5.1.4 Systematic Assessment of Licensee Performance (SALP)

Introduction

NRC uses the SALP process to evaluate licensee performance in important functional areas (Plant Operations, Maintenance, Engineering, Plant Support). The goals of the SALP program are to improve the regulatory program by emphasizing resource allocation and improving licensee performance.

The NRC will normally review and evaluate each operating reactor licensee on about an 18-month interval. Members of the regional and headquarters staffs who have inspection and/or oversight responsibility for the site develop background evaluation information. Background information may come from a variety of sources, such as inspection reports, event reports, enforcement results, management meetings and discussions with the licensee, and results of periodic plant performance reviews. This information is reviewed by a SALP Board. The SALP Board includes the following members:

- SES-level representatives from the responsible region's Division of Reactor Projects, Division of Reactor Safety, or Division of Reactor Safety and Safeguards or Field Office.
- An NRR SES-level manager from the Division of Reactor Projects.

(Note: An NRR deputy division director or above (not from the Division of Reactor Projects) may be substituted for one of the regional SES-level representatives.)

The SALP Board assesses licensee's safety performance and provides recommendations to the Regional Administrator. The Regional Administrator issues the SALP report and then discusses the assessment at a public meeting with the licensee's management.

The PM's role in the SALP process is primarily to support the Board members in developing the SALP report. The PM and senior resident inspector work together to advise the SALP Board of views taken from daily contact with the licensee. The PM typically serves as a functional area coordinator for the area assigned to the NRR Board member.

Policy

The SALP process is used to articulate the NRC's observations and insights on the licensee's safety performance to licensee management and the public. SALP data is not intended to be used for other purposes.

Process for Preparing the SALP Report

NRC Management Directive 8.6, "Systematic Assessment of Licensee Performance (SALP)," describes objectives, responsibilities, and implementation of the SALP process. As discussed in this document, the SALP report is developed through the following three major activities: (1) preparation for the SALP Board meeting, (2) conduct of the SALP Board meeting, and (3) completion and issuance of the SALP report.

A summary of the PM actions with regard to each of these three major activities is provided in Figure

5.1.4-1.

References

- a. NRC Management Directive 8.6, Systematic Assessment of Licensee Performance (SALP)

FIGURE 5.1.4-1: Process for Preparing the SALP Report

<u>Basic Elements</u>	<u>Key Steps</u>	<u>Notes</u>
Preparation for the SALP Board Meeting	<ul style="list-style-type: none"> • Prior to the SALP Board meeting, coordinate inputs and gathering of information for the functional area assigned to NRR • Also coordinate the development of NRR input on all functional areas for which the PM has formulated insights • Provide the inputs to the regional office 	
Conduct of the SALP Board Meeting	<ul style="list-style-type: none"> • During the SALP Board meetings, participate in the discussions and provide opinions on the assessment results • Alert the Division Director, Assistant Director and Associate Director for Projects when a SALP Board recommends a rating of 3 in any functional area 	<ul style="list-style-type: none"> • The SALP Board, set up by the regional office, assesses the licensee's performance • The Board normally hold its meetings at the NRC regional office • The project director and PM are expected to attend both the SALP Board and management meetings on their assigned facilities • The SALP Board develops recommended category ratings (from 1 to 3 with 1 being superior, 2 being good, and 3 being acceptable) for each functional area. The final rating for each functional area is a composite rating of the performance based on a knowledgeable balancing of the issues in a functional area and

		<p>their safety significance.</p> <ul style="list-style-type: none"> • The Regional Administrator may override the recommendations provided by the Board
<p>Completion and Issuance of the SALP Report</p>	<ul style="list-style-type: none"> • Following the issuance of the report, attend the public meeting where the SALP report is presented to licensee management 	<ul style="list-style-type: none"> • Based on the input from the SALP Board, the regional office staff completes and issues the SALP report

5.1.5 Integrated Performance Assessment Process (IPAP)

Introduction

NRC assesses the performance of licensees of nuclear power plants and integrates information on performance through a number of different processes. One such process is the IPAP.

The purposes of the IPAP are to verify that a licensee's performance matches the performance reflected in written records over the previous two years and to assess the effectiveness and implementation of certain NRC regulatory programs. Regional assessment teams periodically conduct IPAPs at a selection of plants each year. NRR also conducts one IPAP in each region each year. An IPAP is performed by a team of experienced inspectors who are independent of the day-to-day oversight of the plant being assessed. The team focuses on five main performance areas: safety assessment and corrective action, operations, engineering, maintenance, and plant support. The typical IPAP is completed four to eight months before the end of the SALP period, utilizes a five-person assessment team, takes six weeks to complete, and consists of the following four phases:

1. A detailed review and integration of insights from various sources (e.g., inspection reports, plant performance review results, licensee event reports, performance indicators, enforcement history, SALP results, senior management meeting results, and licensee documents). This phase is typically two weeks in duration and culminates in the development of a preliminary performance assessment and inspection planning tree and a report documenting the results of the preliminary analysis.
2. A site visit by the assessment team. During this phase the assessment team validates the results of the review phase through performance-based inspection. This phase is typically two weeks in duration.
3. Final analysis, inspection recommendations, and final assessment report. During this phase the performance assessment and inspection planning tree is finalized and inspection recommendations based on licensee performance are developed. The objective of the inspection recommendations is to identify areas for reduced or increased inspection. This phase is typically one to two weeks in duration.
4. An assessment of the effectiveness of regulatory programs. During this phase the results of the first three phases are analyzed to identify lessons learned on the effectiveness and implementation of NRC regulatory programs such as the inspection and SALP programs. At the

conclusion of the fourth phase, the regional administrator (for IPAP efforts led by the regions) or an NRR manager (for IPAP efforts led by NRR) forwards a report summarizing the lessons learned to the Director, NRR.

Because IPAP results are typically a significant input to the SALP process, the team's preliminary findings and final conclusions are discussed with the SALP Board associated with the plant (or with senior regional managers in the absence of a SALP Board). The team's preliminary findings and final conclusions are documented in reports, which are provided to the licensee, among others. Exit meetings are held with the licensee at the completion of Phase 2 and, at the discretion of regional or NRR management, at the completion of Phase 3. If an exit meeting is held at the completion of Phase 3, it is normally a public meeting.

Policy

NRC policy on evaluating licensees performance, including the conduct of IPAPs is contained in NRC Management Directive 8.13, "Evaluating the Safety Performance of Nuclear Power Reactor Licensees."

Process for Handling IPAPs

The PM typically does not have an active role in the conduct of an IPAP. Nevertheless, the PM does have an important support role in such efforts as they relate to his or her plant. A summary of the related PM's activities follows:

- Maintain a first-hand knowledge of licensee performance.
 - Inform the licensee of the IPAP effort as early as possible; the effort is announced as a major activity at least several months in advance.
 - In the letter informing the licensee of the IPAP (i.e., if NRR performs the IPAP), request the licensee documents needed by the assessment team.
 - Coordinate the assessment team's site visit (i.e., if an NRR team) with regional management, NRR management, and the licensee.
 - Provide accurate interpretations and insights during assessment team briefings to the SALP board associated with the plant (or to senior regional managers in the absence of a SALP board) based on first-hand knowledge of licensee performance.
 - Distribute and review preliminary and final IPAP reports, as necessary.
 - If a final exit meeting is held, announce it as a public meeting.
-

References

- a. NRC Inspection Manual Chapter 2515, Light-Water Reactor Inspection Program - Operations Phase
- b. NRC Inspection Procedure 93808, Integrated Performance Assessment Process
- c. NRC Management Directive 8.13, Evaluating the Safety Performance of Nuclear Power Reactor Licensees

5.1.6 Senior Management Meetings

Introduction

Twice a year, NRC senior managers meet to evaluate the performance of nuclear power plants based on evaluations performed by the NRC staff. These meetings, called Senior Management Meetings, are chaired by the Executive Director for Operations and include all regional administrators, office directors, and senior staff. To arrive at an objective evaluation of a plant's operational safety performance, the managers use a standard set of questions in five areas:

- Effectiveness of licensee self-assessment
- Operational performance
- Human performance
- Material condition
- Engineering and design

Based on the ensuing discussions, the managers identify those plants whose performance is of most concern and warrant increased NRC attention; such plants are placed on NRC's Watch List. Plants already on the Watch List that have demonstrated improved performance over an extended period may be taken off the Watch List. Plants that have demonstrated superior performance also are identified.

About two months before a Senior Management Meeting, each of the regional administrators, with AEOD management and the Director of NRR, convenes a screening meeting, during which objective information (e.g., plant performance review results, SALP results, licensee event reports, performance indicator data, inspection findings, and enforcement actions) on each plant is reviewed. The results of such meetings are the primary source of input to the Senior Management Meeting. Following the Senior Management Meeting, the NRC senior managers meet with the Commission in a public forum to discuss plants added to and removed from the Watch List, and plants that have demonstrated superior performance.

Policy

The NRC uses the Senior Management Meetings as the mechanism for informing NRC senior management about licensees whose performance is of most concern. Specific NRC policy on Senior Management Meetings is under development as is the rest of NRC Management Directive 8.14, "Senior Management Meetings."

Process for Conducting Senior Management Meetings

NRC Management Directive 8.13, "Evaluating the Safety Performance of Nuclear Power Reactor Licensees," discusses the conduct of Senior Management Meetings and how Senior Management Meetings fit into NRC's overall licensee evaluation process. The PM typically does not have an active role in Senior Management Meetings or in the subsequent briefings to the Commission. Nevertheless, the PM may have

an important support role in such meetings, especially if the PM's plant is on the NRC's Watch List or has declining performance. Potential PM activities in support of Senior Management Meetings include the following:

- As requested, provide input to a screening meeting held prior to a Senior Management Meeting.
- As requested, provide accurate interpretations and insights during the screening meeting based on first-hand knowledge of licensee performance.
- In preparation for the Senior Management Meeting, compile data and prepare briefing material, as necessary.
- Following the Senior Management Meeting, integrate performance information and conclusions into the Senior Management Meeting notebook, as necessary.
- In preparation for the Commission Meeting, prepare briefing material, as necessary.

References

- a. NRC Management Directive 8.13, Evaluating the Safety Performance of Nuclear Power Reactor Licensees

5.1.7 Participation in Regional Inspections

Introduction

Each request for PM participation in regional inspections will be handled on a case-by-case basis. Requests for PM support of regional inspections should be made by the regional office and should be directed to the division director. The project director (PD) should consider what activities are ongoing on the project assigned to the PM planning to participate. Advantages to the NRR office as well as the employee should be considered. Although cooperation and coordination with the region on a project is important (see Section 2.4.2, Interactions with the Regional Office), the critical elements of the PM job should be addressed first. Previous experience with the licensee, the site, or with inspections should be weighed. The PD should understand what specific contribution the PM is expected to make to the inspection and why it cannot be performed by the region or other, qualified NRR staff. The time the PM will be involved in the inspection activity, including preparation and documentation, should be understood and its impact on the rest of NRR's mission should be considered. In all instances, the PM must have had site access training and must be badged at the facility, or be able to be badged promptly. PMs will meet the qualification requirements for the inspector role or otherwise be approved for the activity by the division director.

Policy

There is no formal policy regarding PM participation in regional inspections.

Process for Participating in Regional Inspections

Upon receipt of a request to participate in a regional inspection, the PM will implement the following actions:

- Inform the PD, and explore with the PD and the region the pros and cons of participating in the inspection. The PD will ensure that the region understands the professional experience of the PM. The PD and the appropriate regional office manager will consider (1) whether the PM is qualified by experience or training to conduct the proposed inspection, (2) whether the resident inspector would be needed to spend significant time serving as a "tour guide," and (3) whether the PM's normal duties are sufficiently covered during the time of his or her absence.
- Make a decision with the PD on whether to participate in the regional inspection, after consultation with their division director
- If the PM will participate in a regional inspection, obtain PD and regional office manager agreement on the following:
 - scope of the endeavor
 - the product expected of the PM
 - the schedule for providing that product
 - to whom the product is to be provided and the manner of how the PM is to charge his or her time

References

None.

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5.2.8 Operability/Nonconforming Conditions

Introduction

The structures, systems and components (SSCs) of a nuclear power plant are designed to meet NRC requirements, satisfy the current licensing basis for the plant, and conform to specified codes and standards. Safe plant operation is predicated on these SSCs functioning within their design limits. An SSC which has undergone any loss of quality or functional capability (degraded condition) or which fails to meet requirements or license commitments (nonconforming condition) may no longer be "operable." Identification of a degraded or nonconforming condition in an SSC that may pose an immediate threat to the public health and safety requires that the plant be placed in a safe condition. Extensive guidance has been provided to licensees to assist them in determining whether a particular SSC may be considered "operable", thus ensuring its functional capability, and resolving degraded or nonconforming conditions.

Policy

NRC Inspection Manual, Part 9900: Technical Guidance, "Operable/Operability: Ensuring the Functional Capability of a System or Component," provides guidance to the licensees and the staff for use in determining the operability of an SSC. Another section of this manual, "Resolution of Degraded and Nonconforming Conditions," provides guidance to the licensees and staff on corrective actions to be taken for SSCs that have been identified as being possibly degraded or nonconforming. These sections of the Inspection Manual were furnished to all licensees and applicants by Generic Letter 91-18, dated 11/7/91, "Information to Licensees Regarding Two NRC Inspection Manual Sections on Resolution of Degraded and Nonconforming Conditions and on Operability." The same information was provided to all PMs by memorandum from J. Partlow on 11/4/91, "Degraded Conditions and Operability."

Process

The PM can expect to be involved in all matters pertaining to possible degraded plant conditions or nonconformances, at least to the extent of discussing the issues with the resident inspector and the regional office. In many cases the region will handle such issues and will inspect for corrective actions by the licensee. In some instances where operability of the SSC is not of critical importance, the region may use enforcement discretion to avoid an unnecessary shutdown or to enable plant startup while the licensee takes appropriate corrective actions. However, corrective actions by the licensee may require changes to the plant technical specifications (TS) to resolve the issue and, in some cases, an emergency TS change may be required. ~~The PM should be aware of degraded plant conditions and nonconformances and should be prepared to take action for NRR as necessary to assist in resolution of the issues. The PM also should be familiar with Generic Letter 91-18.~~

References

- a. "Degraded Conditions and Operability"; Memorandum from J. Partlow dated November 4, 1991

b. Generic Letter 91-18, dated 11/7/91, "Information to Licensees Regarding Two NRC Inspection Manual Sections on Resolution of Degraded and Nonconforming Conditions and on Operability"

c. NRC Inspection Manual, Part 9900: Technical Guidance, "Operable/Operability: Ensuring the Functional Capability of a System or Component"

d. NRC Inspection Manual, Part 9900: Technical Guidance, "Resolution of Degraded and Nonconforming Conditions"

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