

Withdrawn

Administrative Letter 1993-02, "Implementing the Revised Assessment of Licensee Performance (SALP) Program," dated August 30, 1993, has been withdrawn.

ADAMS Accession Number: ML031110437

See *Federal Register* notice 81 FR 31969, dated
May 20, 2016

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D.C. 20555

August 30, 1993

NRC ADMINISTRATIVE LETTER 93-02: IMPLEMENTING THE REVISED SYSTEMATIC
ASSESSMENT OF LICENSEE PERFORMANCE (SALP)
PROGRAM

Addressees

All holders of operating licenses or construction permits for nuclear power reactors.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this administrative letter to inform addressees of the NRC implementation of revisions to the SALP program. This administrative letter does not transmit or imply any new or changed requirements or staff positions. No specific action or written response is required.

Background

The NRC staff has been considering revising the SALP program for two years. At a public meeting in September 1992 the staff received comments from the public and industry on the proposed changes to the SALP process as published in NRC Generic Letter 92-05, "NRC Workshop on the Systematic Assessment of Licensee Performance (SALP) Program." The staff submitted its final recommendations for changing the SALP program in SECY-93-090 on April 6, 1993. On May 19, 1993, the Commission approved the revised SALP program as described in Management Directive 8.6, "Systematic Assessment of Licensee Performance," of July 14, 1993, for assessment periods ending after July 19, 1993.

Discussion

The administrative revisions to the SALP program follow:

- * The SALP process will assess performance in four functional areas instead of the previous seven. The four areas are Operations, Maintenance, Engineering, and Plant Support.
- * Safety Assessment/Quality Verification will be considered for each of the four functional areas rather than as a separate functional area.
- * The Plant Support functional area will assess radiological controls, emergency preparedness, security, chemistry, and fire protection.

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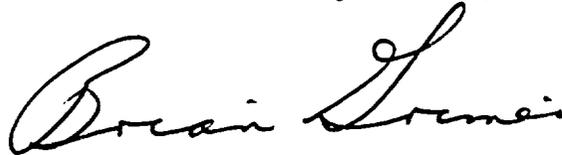
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on 7/29/94

IDR-5-Admin.LTR. '11

- * The SALP Board will be comprised of four NRC Senior Executive Service managers, typically three from the NRC regional office and one from the NRC headquarters office.
- * Three category ratings (1, 2, and 3) will continue to be used in the assessment of licensee performance in each functional area; however, the ratings will emphasize the performance during the last six months of the assessment period. Performance trends, improving or declining, have been eliminated as a part of the ratings.
- * The length of the SALP report will be reduced to about 2 pages per functional area. A cover letter will be used to transmit the report from the regional administrator.
- * The NRC will no longer issue an "Initial" and "Final" SALP report. Only one report will be issued approximately 45 days following the end of the assessment period. The public SALP meeting with the licensee will be held within 60 days of the end of the assessment period.

Attached to this administrative letter is a copy of the NRC's Management Directive 8.6, "Systematic Assessment of Licensee Performance," dated July 14, 1993.

This administrative letter requires no specific action or written response. If you have any questions about this letter, please call the contact listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.



Brian K. Grimes, Director
Division of Operating Reactor Support
Office of Nuclear Reactor Regulation

Contact: Cornelius Holden, NRR
(301) 504-1037

Attachments:

1. Management Directive 8.6,
"Systematic Assessment of
Licensee Performance,"
dated July 14, 1993
2. List of Recently Issued NRC
Administrative Letters

LIST OF RECENTLY ISSUED
NRC ADMINISTRATIVE LETTERS

Administrative Letter No.	Subject	Date of Issuance	Issued to
93-01	Announcing A New Type of NRC Generic Com- munication	07/09/93	All NRC licensees except licensed operators.

*Conc sheets for
AL-93-02*

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Management Directive 8.6,
"Systematic Assessment of
Licensee Performance," dated July 14, 1993
* See previous concurrence

DFC	SEND	RPEB:DRIL:NRR	SC:RPEB:DRIL:NRR	BC:RPEB:DRIL:NRR	OGCB:NRR	TECH EDITOR
NAME	TO	CHolden:cct	RAGramm	GGZech	RKiessel	
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U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

TN: DT-93-25

To: NRC Management Directive System Custodians and
Branch Chiefs and Above

Subject: Transmittal of Management Directive 8.6, "Systematic Assessment
of Licensee Performance (SALP)"

Purpose: Directive and Handbook 8.6 replace Manual Chapter and
Appendix 0516 and incorporate the following changes approved by
the Commission: The SALP Board membership was changed from
seven to four members; functional areas were reduced from seven to
four; the length of the SALP report was reduced; and evaluation
criteria, attributes, and category rating trends were eliminated.

**Office and
Division of Origin:** Office of Nuclear Reactor Regulation
Division of Reactor Inspection and Licensee Performance

Contact: Cornelius Holden, 504-1037

Date Approved: July 14, 1993

Volume: 8 Licensee Oversight Programs

Directive: 8.6 "Systematic Assessment of Licensee Performance (SALP)"

Availability: Distribution Unit, 49-27333

Systematic Assessment of Licensee Performance (SALP)

Directive

***(Formerly
MC 0516) 8.6***

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U. S. Nuclear Regulatory Commission

Volume: 8 Licensee Oversight Programs

NRR

Systematic Assessment of Licensee Performance (SALP) Directive 8.6

Policy (8.6-01)

It is the policy of the U.S. Nuclear Regulatory Commission (NRC) to use the Systematic Assessment of Licensee Performance (SALP) process to articulate the agency's observations and insights on the licensee's safety performance. The SALP report communicates those observations and insights to licensee management and the public. The NRC discourages use of SALP data for any purpose other than its intended objectives.

Objectives (8.6-02)

- To conduct an integrated assessment of licensee safety performance that focuses on the safety significance of the NRC findings and conclusions during an assessment period. (021)
- To provide a vehicle for meaningful dialogue with the licensee regarding its safety performance based on the insights gained from synthesis of NRC observations. (022)
- To assist NRC management in making sound decisions regarding allocation of NRC resources used to oversee, inspect, and assess licensee performance. (023)
- To provide a method for informing the public of the NRC's assessment of licensee performance. (024)

Organizational Responsibilities and Delegations of Authority

(8.6-03)

The Executive Director for Operations (EDO) (031)

Oversees the activities described in this directive and handbook.

The Director, Office of Nuclear Reactor Regulation (NRR) (032)

- Implements the requirements of this directive within NRR. (a)
- Monitors the SALP process. Assesses the uniformity and adequacy of the implementation of the program. (b)
- Evaluates and develops SALP policy, criteria, and methodology. (c)

Regional Administrators (033)

- Implement the requirements of this directive within their respective regions. (a)
- Confer with the Director, NRR, and inform the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research (DEDR) when contemplating significant deviations from the requirements or guidelines of this directive. (b)
- Develop and issue the SALP report, which contains a concise assessment of licensee performance, including category ratings for each functional area. (c)
- Direct reallocation of regional inspection resources, as and when appropriate, based on the functional area assessment. (d)
- Establish a schedule and determine a site for a public meeting with the licensee, as appropriate, to ensure mutual understanding of the issues discussed in the SALP report. (e)

Regional Administrators
(033) (continued)

- Suspend the SALP process for any plant that is placed on the Category 3 list of problem facilities as a result of the Senior Management Meeting process. The SALP process should not resume until the facility is removed from this category. SALP assessments with no category ratings may be performed as a part of the restart readiness evaluations. (f)
- Assess the uniformity and adequacy of regional implementation of the SALP Program. Provide to the Director, NRR, recommendations for improving the SALP Program. (g)

Applicability
(8.6-04)

Licensees
(041)

This program applies to all licensees of power reactors with operating licenses or construction permits.

Employees
(042)

The provisions of this directive and handbook apply to and must be followed by NRC headquarters and regional personnel.

Handbook
(8.6-05)

Major components of the SALP Program are specified in Handbook 8.6.

References
(8.6-06)

1. NRC Announcement 200, "Revised Guidance on the Use of Performance Indicators," November 28, 1989.
2. "Public Inspections, Exemptions, Requests for Withholding," 10 CFR 2.790.

Systematic Assessment of Licensee Performance (SALP)

Handbook
*(Formerly
Appendix 0516)* **8.6**

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Introduction

The SALP process is used to develop the NRC's conclusions regarding a licensee's safety performance. The SALP report documents the NRC's observations and insights on a licensee's performance and communicates the results to the licensee and the public. It provides a vehicle for clear communication with licensee management that focuses on plant performance relative to safety risk perspectives. The NRC utilizes SALP results when allocating NRC inspection resources at licensee facilities.

Part I

General Guidance for the SALP Program

Evaluation Frequency (A)

The NRC will normally review and evaluate each power reactor licensee that possesses an operating license or a construction permit on about an 18-month interval (plus or minus 2 months). Variations to this interval can be made in the following instances: (1)

- When a new operating license is issued, two consecutive SALP evaluations should be scheduled at approximately 12-month intervals after issuance of the low-power license. Following completion of these two evaluations, a determination should then be made on whether to place the licensee on a normal SALP schedule. (a)
- When NRC assessments, such as SALP or plant performance reviews, indicate that licensee performance warrants additional oversight, the regional administrator may elect to reduce the SALP assessment period (up to a minimum of 12 months), to conduct additional management meetings with the licensee, or some combination of the two. (b)
- The assessment period may be extended to a maximum of 24 months when a plant receives a Category 1 rating in all four functional areas. The Director, Office of Nuclear Reactor Regulation (NRR), will be informed in writing when extensions are granted. (c)
- SALP frequency and the scope of the assessment may be adjusted for plants in extended shutdowns, extended outages, or decommissioning. In each case, the regional administrator shall confer with the Director, NRR, and document the basis for the change. (d)

Evaluation Frequency (A) (continued)

- The SALP process will be suspended for any plant that is shut down and requires authorization by the Commission (not the staff) to restart. As a part of a restart review process, an ungraded evaluation of performance in the SALP functional areas may be performed. (e)

Each reactor site will have a separate assessment. For plants at one site in different stages (construction or operating), individual assessments will be performed. For other multiple unit sites, the regional administrator will determine if individual assessments are necessary to capture and communicate the NRC's assessment of licensee performance. (2)

Evaluation Process (B)

The evaluation process entails the following steps: (1)

- Members of the regional and headquarters staff who have inspection and/or oversight responsibility for the site develop background information for the SALP Board. Background information may come from a variety of sources, including inspection reports, events, enforcement results, management meetings and discussions with licensees, and results of periodic plant performance reviews. (a)
- The SALP Board assesses licensee safety performance and provides recommendations to the regional administrator. (b)
- The regional administrator issues the SALP report. (c)
- The regional administrator or the deputy regional administrator conducts a public meeting with the licensee's management to discuss the assessment. (d)

Additional guidance regarding the SALP process is provided in Part II of this handbook. Implementation procedures for the SALP process will be contained in regional procedures and NRR office letters. (2)

Functional Areas (C)

Functional areas represent a grouping of similar licensee activities.

Operating Phase Reactors (1)

The functional areas for operating reactors are—

Plant Operations (a)

This functional area consists chiefly of the control and execution of activities directly related to operating a plant. It includes activities such as plant startup, power operation, plant shutdown, and system lineups. Thus, it includes activities such as monitoring and logging plant conditions, normal operations, response to transient and off-normal conditions, adequacy and implementation of emergency operating procedures and abnormal operating procedures, manipulating the reactor and auxiliary controls, and control room professionalism. It also includes initial and requalification training of licensed operators.

Maintenance (b)

This functional area includes all activities associated with either diagnostic, predictive, preventive, or corrective maintenance of plant structures, systems, and components, or maintenance of the physical condition of the plant. It also includes conduct of all surveillance testing activities, all inservice inspection and testing, instrument calibrations, equipment operability tests, post-maintenance testing, and post-outage testing, containment leak rate tests, and special tests.

Engineering (c)

This functional area addresses the adequacy of technical and engineering support for all plant activities. It includes all licensee activities associated with design control; the design, installation, and testing of plant modifications; engineering and technical support for operations, outages, maintenance, testing, surveillance, and procurement activities; configuration management; design-basis information and its retrieval; and support for licensing activities.

Functional Areas (C) (continued)

Operating Phase Reactors (1) (continued)

Plant Support (d)

This functional area covers all activities related to plant support functions, including radiological controls, emergency preparedness, security, chemistry, and fire protection. It includes all activities associated with occupational radiation safety, radioactive waste management, radiological effluent control and monitoring, transportation of radioactive materials, licensee performance during emergency preparedness exercises and actual events that test emergency plans, emergency plan notifications, interactions with onsite and offsite emergency response organizations during exercises and actual events, and safeguards measures that protect plant equipment, including physical security, fitness for duty, access authorization, and control of special nuclear material. Housekeeping controls are included in this area.

Other Functional Areas (as appropriate) (e)

For example, when plants are in extended shutdowns, it may be more appropriate to address shutdown operations in lieu of plant operations. For readiness assessments, SALP Boards may need to consider activities that take place over a shorter interval, such as startup testing.

Construction Phase Reactors (2)

To be provided at a later date.

Performance Category Ratings (D)

Licensee performance in each functional area is assessed by assigning a category rating as discussed below. Licensees assigned a Category 1 rating in a functional area have clearly demonstrated superior safety performance, which justifies some relaxation in NRC oversight, whereas licensees assigned a Category 3 rating in a functional area have demonstrated acceptable safety performance but are of concern to NRC. The NRC will consider additional interaction with and oversight of the licensee in the affected area. (1)

Performance Category Ratings (D) (continued)

The final rating for each functional area will be a composite rating of the performance based on a knowledgeable balancing of the issues in a functional area and their safety significance. Statistical or numerical balancing of data is inappropriate. (2)

The three category ratings are as follows: (3)

- **Category 1.** Licensee attention and involvement have been properly focused on safety and resulted in a superior level of safety performance. Licensee programs and procedures have provided effective controls. The licensee's self-assessment efforts have been effective in the identification of emergent issues. Corrective actions are technically sound, comprehensive, and thorough. Recurring problems are eliminated and resolution of issues is timely. Root cause analyses are thorough. (a)
- **Category 2.** Licensee attention and involvement are normally well focused and resulted in a good level of safety performance. Licensee programs and procedures normally provide the necessary control of activities, but deficiencies may exist. The licensee's self-assessments are normally good, although issues may escape identification. Corrective actions are usually effective, although some may not be complete. Root cause analyses are normally thorough. (b)
- **Category 3.** Licensee attention and involvement have resulted in an acceptable level of safety performance. However, licensee performance may exhibit one or more of the following characteristics. Licensee programs and procedures have not provided sufficient control of activities in important areas. The licensee's self-assessment efforts may not occur until after a potential problem becomes apparent. A clear understanding of the safety implications of significant issues may not have been demonstrated. Numerous minor issues combine to indicate that the licensee's corrective action is not thorough. Root cause analyses do not probe deep enough, resulting in the incomplete resolution of issues. Because the margin to unacceptable performance in important aspects is small, increased NRC and licensee attention is required. (c)

Performance Category Ratings (D) (continued)

- **Category N. Insufficient information exists to support an assessment of licensee performance. These cases include instances in which a rating cannot be developed because of insufficient licensee activity or insufficient NRC inspection. This category is normally used for construction phase reactors only. (d)**

Part II

Implementation of the SALP

Assessment Process (A)

Preparation for the SALP Board Meeting (1)

To prepare for the SALP Board meeting, each region shall—

- Issue a memorandum establishing the assessment period, the due date for SALP Board input, and scheduled dates for the SALP Board meeting, issuance of the SALP report, and the licensee management meeting for all facilities within the region scheduled for a SALP during the fiscal year. The regions shall distribute this memorandum to the Office of Nuclear Reactor Regulation (NRR), including the NRR SALP Program Manager, and to the Executive Director for Operations (EDO) by the end of the fiscal year preceding the scheduled activities. The regions shall provide any changes to SALP schedules to these offices. The applicable SALP data in the Shared Information Network (SINET) should be updated as appropriate. (a)
- Members of the resident inspector staff, the NRR project manager, other staff members with inspection responsibilities or oversight functions, and their supervisors should develop the background information for the SALP Board. Sources of background information vary and include, but are not limited to, the following: inspection report findings, licensee events, enforcement results, Safety Evaluation Report inputs, the outcome of licensee and NRC management meetings, results of periodic plant performance reviews, and other performance information. The background information will be assembled to highlight significant issues to the board. Repetitive items or issues that may cross functional area boundaries should also be highlighted. (b)
- Proper preparation for the SALP Board meeting is essential for board members since they are expected to participate in

Assessment Process (A) (continued)

Preparation for the SALP Board Meeting (1) (continued)

discussions of each functional area in order to contribute effectively to the assessment of the licensee's performance and the identification of common themes and symptoms of that performance. All board members should (1) become familiar with the plant's performance during the assessment period either by having visited the site or through involvement in management-level meetings with the licensee and (2) be familiar with inspection report findings that were issued during the assessment period. The regional administrator may exempt specific board members on a case-by-case basis from these requirements. It is important that the board membership for a specific SALP remain constant throughout the board's assessment process. (c)

- The SALP Board will be composed of the following four members: (d)
 - One SES-level representative from each of the responsible region's Division of Reactor Projects, Division of Reactor Safety, and Division of Radiation Safety and Safeguards. (i)
 - An NRR SES-level manager from the Division of Reactor Projects. (ii)
 - An NRR deputy division director or above (not from the Division of Reactor Projects) may be substituted for one of the three regional SES-level representatives on the board. (iii)
- Because of the combination of reactor projects and reactor safety in Region V, the Regional Administrator for Region V may appoint two SES-level representatives from the Division of Reactor Safety and Projects to ensure both the reactor projects and the reactor safety perspectives are represented on each board. (e)
- One of the four members of the board will be appointed SALP Board Chairman by the regional administrator. (f)

Assessment Process (A) (continued)

Conduct of the SALP Board Meeting (2)

Based on the background information and staff briefings, the SALP Board shall produce an assessment for each functional area. The assessment will address the observed performance and place it in context with plant safety. The safety significance of an issue should dictate the level of detail required by the assessment. The SALP Board members will ensure that each functional area section concisely conveys the board's views, with selected examples to illustrate key findings. SALP Board members should discuss characteristics of a licensee's performance in a functional area and the common themes or symptoms that extend through multiple functional areas. Issues will normally be discussed in only one functional area. (a)

The SALP Board should examine licensee performance trends in each functional area. While all plants may exhibit trends during the assessment period, the use of trends in the functional area assessment should be reserved for special cases. When the board determines licensee performance exhibited a significant improving or declining performance trend, it is appropriate to discuss that significant trend in the functional area writeup, not as part of the category rating. (b)

The SALP Board will recommend a category rating for each functional area. Although the functional area assessments should consider the licensee's performance throughout the period, the category rating should emphasize the licensee's performance during the last 6 months of the assessment period. In those cases in which the board determines that performance was significantly different between the beginning and the end of the assessment period, consideration may be given to assigning a category rating based on the performance during the entire assessment period. Note that it is inappropriate to refer to Performance Indicator Program results in forming a SALP rating (see NRC Announcement 200, "Revised Guidance on the Use of Performance Indicators," November 28, 1989). The board will forward its assessment of performance and recommendations for category ratings, including differences in opinions, to the regional administrator. The regional administrator may override the recommendations provided by the board. In these instances, the regional administrator shall document his or her decision to the Director, NRR. (c)

Assessment Process (A) (continued)

Conduct of the SALP Board Meeting (2) (continued)

The SALP Board will recommend changes to the NRC inspection program based on its assessment of performance for implementation at the specific facility. (d)

Completion and Issuance of the SALP Report (3)

The cover letter for the SALP report will communicate the overall assessment of the licensee's performance and will emphasize those areas considered most significant. The enclosure will contain the assessment (one to two pages) of each functional area, along with the category ratings. The significance of the issues discussed in the SALP report will dictate the length of the report. The SALP cover letter should include the following: (a)

- A characterization of overall safety performance of the licensee. The SALP cover letter will highlight common themes of licensee performance identified by the SALP process. The cover letter should characterize the licensee's performance and should place in perspective any significant events or findings that took place outside the assessment period that bear on the evaluations in the report. The SALP report should be consistent with the results of any other current events and processes related to the plant's performance, such as results of recent Senior Management Meetings and major team inspections, to ensure that conflicting messages are not inadvertently transmitted to the licensee. The cover letter will include a specific reference to and assessment of the licensee's Safety Assessment/Quality Verification activities, including the licensee's effectiveness in discovering and correcting its own problems. (i)
- Areas or issues that warrant discussion during the meeting with the licensee. For any functional area rated Category 3, the cover letter should request that the licensee be prepared to discuss performance and planned actions in this functional area. (ii)
- For all functional areas rated Category 3, a request for the licensee to reply in writing within 30 days and address identified weaknesses. (iii)

The cover letter and functional area assessments will be transmitted to the licensee before being publicly released. (b)

Assessment Process (A) (continued)

Completion and Issuance of the SALP Report (3) (continued)

Copies of the report should be provided to the offices of the EDO; the Director, NRR; the Director, Office of Enforcement; the Commissioners; and the NRR Division of Reactor Inspection and Licensee Performance (DRIL) SALP Program Manager. The SALP report will be distributed on a timely basis as a standard docket item to the Document Control System, the NRC Public Document Room, the appropriate Local Public Document Room, and the Institute of Nuclear Power Operations. Each report will be assigned an inspection report number. (c)

SALP Meeting With the Licensee (B)

General (1)

The SALP meeting with the licensee should be scheduled no sooner than 2 weeks after the SALP report has been issued. Additionally, this public meeting with the licensee's management will be held within 60 days of the end of the assessment period to discuss the assessment. The meeting will be conducted onsite or in the vicinity of the site, if feasible, to foster accessibility and a more widespread understanding of the NRC's views. The regional administrator will normally hold a SALP public meeting unless unusual circumstances arise that may make a public meeting unnecessary or inadvisable. The Director, NRR, will be informed in writing when a SALP public meeting is not held.

Meeting Preparation (2)

The region shall notify those on distribution for the SALP report of the meeting with the licensee. (See Section (A) of this part.) (a)

The region shall notify the media and State and local government officials of the issuance of the SALP report and of the meeting with the licensee once the report has been released. Generally, at least 1 week's notice should be provided before the meeting. (b)

The licensee should be encouraged to have the following management representatives participate in the meeting: (c)

- The senior corporate nuclear officer/manager (i)

SALP Meeting With the Licensee (B) (continued)

Meeting Preparation (2) (continued)

- Management officials responsible for the major functional areas (ii)
- The site manager (iii)

Licensee Meeting (3)

The regional administrator will designate the NRC participants for the licensee meeting. NRC participants for this meeting typically include the following: (a)

- The regional administrator or the deputy regional administrator. (i)
- Other regional and NRR personnel, as appropriate, to support the regional administrator. (ii)

The regional administrator or the deputy regional administrator will conduct the licensee meeting. These meetings are intended to provide a forum for a candid discussion of issues relating to the licensee's performance. The regional administrator should discuss those aspects of the licensee's operation that need improvement, as well as the positive aspects of the licensee's performance. The licensee also will be given the opportunity to respond at the meeting and to provide comments on the report in writing within 30 days after the meeting. (b)

SALP management meetings with the licensee should be public meetings, unless portions of the meetings involve discussion of the type of matters that are not required to be publicly disclosed under Section 2.790 of Title 10 of the *Code of Federal Regulations* (10 CFR 2.790). For those portions, the meeting must be closed. Members of the public, the press, and Government officials should be treated as observers. Adequate notification of the SALP meeting should be accomplished by the timely distribution to the Public Document Room and the Local Public Document Room of the letter scheduling the meeting with the licensee, with copies to the parties on the service list for the appropriate docket. (c)