

U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

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To: NRC Management Directives Custodians

Subject: Transmittal of Management Directive 8.14, "Agency Action Review Meeting"

Purpose: Management Directive and Handbook 8.14 were revised in their entirety to reflect the annual meeting of NRC senior management under the new Reactor Oversight Process (ROP). This meeting, called the "Agency Action Review Meeting," essentially replaces the "Senior Management Meeting" under our previous oversight process.

Office and Division of Origin: Office of Nuclear Reactor Regulation

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Agency Action Review Meeting

Directive
8.14

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U. S. Nuclear Regulatory Commission

Volume: 8 Licensee Oversight Programs

NRR

Agency Action Review Meeting

Directive 8.14

Policy

(8.14-01)

It is the policy of the U.S. Nuclear Regulatory Commission to have its senior managers conduct an annual Agency Action Review Meeting (AARM). The AARM is an integral part of the evaluative process used by the agency to ensure the operational safety performance of nuclear licensees. The purposes of the AARM are (1) to review the agency actions resulting from the performance of nuclear reactor licensees for those plants with significant performance problems as determined by the reactor oversight process (ROP) action matrix, (2) to review results of the staff's assessment of ROP effectiveness, (3) to review industry performance trends, and (4) to review agency actions concerning fuel cycle facilities and other materials licensees with significant performance problems.

Objectives

(8.14-02)

- To allow senior NRC managers to review agency actions that have been taken for those plants with significant performance problems as determined by the ROP action matrix and identify additional actions, as appropriate. (021)

Objectives

(8.14-02) (continued)

- To ensure that coordinated courses of action have been developed and implemented for licensees of concern. (022)
- To ensure the efficacy of the ROP in meeting the agency's strategic goals. (023)
- To ensure that trends in industry and licensee performance are recognized and appropriately addressed. (024)
- To allow NRC senior managers to review agency actions that have been taken for those fuel cycle and other materials facilities with significant safety or safeguards issues and identify additional actions, as applicable. (025)

Organizational Responsibilities and Delegations of Authority

(8.14-03)

Executive Director for Operations (EDO)
(031)

- Oversees AARM activities and conducts the meeting. (a)
- Decides if any additional or alternate NRC actions besides those already completed or planned are to be conducted at a particular licensee's facility on the basis of discussions at the AARM. (b)
- Briefs the Commission on the results following each AARM. (c)

Organizational Responsibilities and
Delegations of Authority
(8.14-03) (continued)

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

- Develops guidance for coordinating AARM preparation activities. (a)
- Coordinates AARM preparations and discussions pertaining to nuclear reactors within NRR and between other NRC headquarters and regional offices. (b)
- Coordinates and conducts end-of-cycle (EOC) summary meetings, if necessary, on the basis of the results of the regional EOC reviews. (c)
- Develops ROP program policies and procedures, and ensures the effectiveness of program implementation. (d)
- Participates in the AARM. (e)

Director, Office of Nuclear Material Safety and Safeguards (NMSS)
(033)

- Coordinates preparations and discussions before the AARM pertaining to fuel cycle and other materials licensees and issues within NMSS, and among other NRC headquarters and regional offices. In consultation with regional administrators, determines which, if any, fuel cycle or other materials licensees will be discussed at the AARM. (a)
- Participates in the AARM and leads discussions, as necessary. (b)

Organizational Responsibilities and Delegations of Authority

(8.14-03) (continued)

Regional Administrators (034)

- Brief the Director of NRR and other internal stakeholders at the EOC summary meeting on the performance of licensees of operating reactors in their respective regions for those plants with significant performance problems as described in Part I(B)(3) of the handbook. (a)
- Coordinate AARM preparations with the program offices. (b)
- Lead AARM discussions for reactor licensees in their respective regions. (c)
- Make recommendations to the Director of NMSS on candidate fuel cycle or other materials licensees to be discussed at the AARM. Brief the Director of NMSS and other internal stakeholders on the performance of fuel cycle and other materials facilities within the region that are identified for discussion as a result of significant safety or safeguards performance issues, and lead the related AARM discussions, as applicable. (d)

Directors of Staff Offices (035)

- Coordinate with program and regional offices in providing input to both the AARM and EOC meetings, as applicable. (a)
- Participate in the AARM as specified in the applicable portions of the handbook or as directed by the EDO. (b)

Organizational Responsibilities and Delegations of Authority (8.14-03) (continued)

Chief, Regional Operations Staff,
Office of the EDO
(036)

- Coordinates AARM preparations with program and regional offices. (a)
- Prepares AARM agenda, meeting minutes, and action items. (b)

Applicability (8.14-04)

The policy and guidance in this directive and handbook apply to all NRC employees.

Handbook (8.14-05)

Handbook 8.14 provides guidance for the preparation and conduct of the AARM.

References (8.14-06)

“NRC Enforcement Manual,” NUREG/BR-0195.

NRC Inspection Manual Chapter 0305, “Operating Reactor Assessment Program.”

References

(8.14-06) (continued)

- 0307, "Reactor Oversight Process Self-Assessment Program."
- 2515, "Light-Water Reactor Inspection Program—Operations Phase."
- 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program."
- 2604, "Licensee Performance Review."
- 2800, "Materials Inspection Program."

Agency Action Review Meeting

Handbook

8.14

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Part I

Preparation for the Agency Action Review Meeting (AARM)

General (A)

The comprehensive reviews and preparations necessary to support the AARM are encompassed in the reactor oversight process (ROP) assessment program and are conducted in accordance with Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program." End-of-cycle (EOC) reviews are conducted in each regional office using the most recent performance indicators and inspection findings from the previous 12 months. EOC summary meetings are also conducted at the conclusion of the EOC reviews to discuss the results with the Director of the Office of Nuclear Reactor Regulation (NRR) and other internal stakeholders for those plants with significant performance problems. (1)

Annual assessment letters are issued to all plants following the EOC reviews. A public meeting is also conducted with each licensee to discuss the results of the NRC's annual assessment of the licensee's performance. (2)

NRR will assemble the background information necessary to support AARM discussions concerning reactors into a notebook called the AARM Executive Summary. As discussed in more detail later in this handbook, the AARM will include a review of (a) the agency actions resulting from the performance of nuclear reactor licensees for those

General (A) (continued)

plants with significant performance problems as determined by the ROP action matrix, (b) the results of the staff's assessment of ROP effectiveness, (c) the results of the industry performance trends analysis, and (d) agency actions concerning fuel cycle facilities and other materials licensees with significant performance problems, including categories of licensees. Throughout the management directive and handbook, any references to materials licensees shall be interpreted to include certificate holders and other regulated entities. (3)

End-of-Cycle Reviews and Summary Meetings for Reactors (B)

Each regional office will conduct an EOC review for all operating reactors within its purview in accordance with IMC 0305. The EOC review is a comprehensive assessment of licensee performance using the most recent performance indicators and inspection findings from the previous 12 months. The staff conducts EOC reviews to analyze licensee performance information from inspection reports and performance indicators, along with other pertinent data, to confirm NRC actions and allocate resources. The EOC reviews are conducted within 6 weeks of the end of the assessment cycle. (1)

The review of each plant will emphasize the discussion of adverse performance trends and the effectiveness of licensee self-assessments and corrective actions for identified problems. The information contained in the plant issues matrix (PIM) and performance indicators are used by meeting participants to independently assess plant performance. Future inspection plans will also be reviewed at these meetings. (2)

End-of-Cycle Reviews and Summary Meetings for Reactors (B) (continued)

In addition, EOC summary meetings are conducted at the conclusion of the EOC reviews to discuss the results with the Director of NRR and other internal stakeholders for those plants with performance issues over the past annual assessment cycle that placed them in the “degraded cornerstone” column, the “multiple/repetitive degraded cornerstone” column, or the “unacceptable performance” column of the ROP action matrix. The regional staff will also present the results for those plants that the regional offices consider to have substantive cross-cutting issues. The regional staff will coordinate with NRR to schedule and conduct the summary meetings. (3)

Annual Assessment Letters for Reactors (C)

An annual assessment letter is produced for each plant on the basis of the results of the EOC reviews. This letter is issued to all plants within 3 weeks after completion of the EOC reviews in accordance with IMC 0305. (1)

The annual assessment letter will contain an overall statement of plant performance over the previous 12 months, a summary of risk-significant performance indicators or inspection findings, a discussion of substantive cross-cutting issues (as applicable), a summary of agency and licensee actions to address performance issues, and an inspection plan. (2)

Annual Assessment Letters for Reactors (C) (continued)

As applicable, the letter will also note (a) the staff's plans to discuss a given plant with performance concerns at the upcoming AARM and (b) that a separate letter will be issued after the AARM if any agency actions changed as a result of the senior managers' discussions. (3)

Annual Meeting With Reactor Licensee (D)

A public meeting with each licensee is conducted within approximately 16 weeks of the end of the assessment period to discuss the results of the NRC's annual assessment of the licensee's performance in accordance with IMC 0305. The meeting is conducted following the issuance of the annual assessment letters and may occur before or after the AARM, based on scheduling priorities. (1)

The meeting is conducted on site or in the vicinity of the site so that it is accessible to members of the public. Participation and the scope of the meeting vary, based on licensee performance in accordance with the ROP action matrix. The regions are encouraged to use the annual meeting as an opportunity to conduct public outreach activities as well. (2)

Final AARM Preparations for Reactor Licensees (E)

Following the EOC reviews, the headquarters and regional staff will work together to develop the information to be used at the AARM. NRR will assemble this information into a notebook called the AARM Executive Summary. The AARM Executive Summary will include (a) background papers that synopsise the performance of each plant to be discussed at the AARM; (b) a summary of the self-assessment of

Final AARM Preparations for Reactor Licensees (E) (continued)

the ROP, including lessons learned and recommended policy adjustments; (c) the presentation and analysis of industry performance trends; (d) selected tables of relevant technical and regulatory information; (e) a meeting agenda; and (f) other information, as specified by the Executive Director for Operations (EDO). (1)

The cognizant regional office will prepare a narrative summary of plant performance for each plant to be discussed at the AARM. The narrative summary should be the plant performance summary used to support the EOC reviews and summary meetings, revised to incorporate any insights developed during those meetings. (2)

The regions will also verify the completeness and accuracy of the information contained in the Reactor Program System (RPS) regarding the PIMs and inspection plans for each plant to be discussed at the AARM. Upon notification by the regions, NRR will produce the PIM and inspection plan reports from the RPS for inclusion in the AARM Executive Summaries. NRR will also produce performance indicator reports from the ROP Web site for inclusion in the AARM Executive Summaries. (3)

NRR will prepare a report on an annual basis that includes an analysis and self-assessment of the ROP in accordance with IMC 0307, "Reactor Oversight Process Self-Assessment Program." The annual report of the ROP self-assessment will be included in the AARM Executive Summary and provided to the Commission. (4)

Final AARM Preparations for Reactor Licensees (E) (continued)

NRR will also prepare a report on an annual basis that includes an analysis of industry performance trends. The annual report of the industry trend analysis will be forwarded to the Commission and included in the AARM Executive Summary. (5)

The AARM Executive Summaries will be distributed to AARM participants in advance of the meeting. (6)

Similarly, NMSS will prepare and distribute briefing materials for fuel cycle and other materials facilities to AARM participants in advance of the meeting, as applicable. (7)

Final AARM Preparations for Fuel Cycle and Other Materials Licensees (F)

NMSS and the regional offices will consider Licensee Performance Reviews (LPRs) in reviewing fuel cycle licensees as possible candidates for the AARM. The cognizant regional office will prepare a narrative summary of licensee performance for each fuel cycle or materials licensee to be discussed at the AARM. NMSS, in collaboration with the regions, will prepare and distribute briefing materials for fuel cycle and other materials facilities to AARM participants in advance of the meeting, as applicable.

Part II

Conduct of the Agency Action Review Meeting (AARM)

General (A)

As described in Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," the AARM is part of an integrated evaluative process used by the agency to ensure the operational safety performance of nuclear licensees. The AARM includes a review of plant performance to confirm the appropriateness of agency actions for those plants with significant performance problems as determined by the reactor oversight process (ROP) action matrix. The AARM also includes a review of overall industry performance and trends and a review of the results of the ROP self-assessment. (1)

Although AARM discussions focus primarily on the performance of power reactors, licensee performance at fuel cycle and other materials facilities may be discussed at the AARM when there are significant safety or safeguards performance issues. (2)

As a result of the end-of-cycle (EOC) reviews, there may conceivably be no reactor plants with performance concerns that would warrant discussion at the AARM. There may also be no fuel cycle or other materials licensees that warrant discussion at the AARM. Since the AARM also serves as a forum to review overall industry trends and the effectiveness of the ROP, the AARM will be conducted on an annual basis regardless of whether any individual licensees are scheduled to be discussed. (3)

General (A) (continued)

The Executive Director for Operations (EDO) will direct the conduct of the AARM. Participation will vary, depending on the portion of the AARM involved. The attendees will typically include, at varying times, the Deputy Executive Director for Reactor Programs; the Deputy Executive Director for Materials, Research, and State Programs; the Deputy Executive Director for Management Services; the regional administrators; the Directors of NRR, NMSS, the Office of Nuclear Regulatory Research (RES), the Office of Nuclear Security and Incident Response (NSIR), the Office of Enforcement (OE), and the Office of Investigations (OI); senior managers from the Office of the General Counsel; and other support personnel, as directed. Participation in each portion of the AARM will be as noted in the relevant sections of this handbook or as determined by the EDO. (4)

The AARM is conducted annually and typically occurs several weeks after issuance of the annual assessment letters to reactor licensees that result from the EOC reviews. Following each AARM, reactor licensees are informed of any NRC decisions or actions that differ from those conveyed in the annual assessment letters **if** any agency actions changed as a result of the senior managers' discussions. The Commission is briefed on the AARM results at a public meeting. (5)

Reactor Plant Performance Discussions and Review of Agency Actions (B)

The discussions of plant performance are led by the cognizant regional administrator. Plant performance discussions are limited to those plants that have been in the "multiple/repetitive degraded

Reactor Plant Performance Discussions and Review of Agency Actions (B) (continued)

cornerstone” column or the “unacceptable performance” column of the action matrix at any time over the previous annual assessment cycle. Additionally, plants may be discussed if it is determined that they will move into the multiple/repetitive degraded cornerstone column or the unacceptable performance column of the action matrix before the AARM. (1)

Primary participants in the plant performance discussion portion of the AARM will include the EDO, the Deputy Executive Director for Reactor Programs, the Director of NRR, and the regional administrators. In addition, the Directors of RES, NSIR, OE, and OI, the General Counsel, as well as the Agency Allegations Advisor, may also participate if issues will be discussed relative to their areas of responsibility. (2)

As noted in IMC 0305, agency actions based on licensee performance are expected to be in accordance with the ROP action matrix. Actions are taken as necessary to address performance issues as they are identified; the agency will not wait for annual reviews to take actions and allocate resources. The ROP action matrix provides for a range of actions for the NRC to take to appropriately address plant performance issues. Because actions would be taken on an ongoing basis, the role of the AARM is more informational and confirmatory. The senior managers will review the agency’s actions that have been planned or completed to confirm their appropriateness and effectiveness. (3)

Reactor Plant Performance Discussions and Review of Agency Actions (B) (continued)

As a result of AARM discussions, the senior managers may identify additional or alternate actions and/or allocation of agencywide resources. These actions should all be encompassed by and in accordance with the ROP action matrix. This step may include conducting a special team inspection to ascertain the causes of the performance problems, holding discussions between senior officials of both the NRC and the licensee to further enhance the quality of communications, or convening a meeting with the Commission to review plant performance and licensee plans to improve performance. (4)

Any or all of the actions discussed in the applicable sections of IMC 0305 are appropriate for plants that are in the “multiple/repetitive degraded cornerstone” column or the “unacceptable performance” column of the ROP action matrix. The objective of these actions is to ensure that the licensee establishes a plan for improvement that incorporates measurable goals to determine when performance has improved. Whether and when to take any one of these actions is a determination that will be made at the NRC's sole discretion. The contents of this handbook and IMC 0305 do not restrict the NRC from taking any necessary actions to fulfill its responsibilities under any applicable law. (5)

Reactor Oversight Process Self-Assessment (C)

The ROP self-assessment program evaluates how well the ROP meets its goals of being objective, risk informed, understandable, and predictable, as well as meeting the agency's strategic performance goals of (a) maintaining safety; (b) increasing public confidence; (c) improving effectiveness, efficiency, and realism of NRC activities and decisions; and (d) reducing unnecessary regulatory burden. (1)

The ROP self-assessment program is implemented in accordance with IMC 0307, "Reactor Oversight Process Self-Assessment Program." The self-assessment program collects information from various sources, including data and feedback from both internal and external stakeholders. Self-assessment metrics are also used to assist the agency in determining if the ROP is meeting its stated objectives and the agency's strategic goals. This program is intended to assess the effectiveness of the ROP and to develop recommendations for improvement. (2)

NRR will prepare a report on an annual basis that includes an analysis of the metrics and other relevant information. This report will be included in the AARM Executive Summary, will be used as the basis for discussions during the AARM regarding the ROP self-assessment, and will be provided to the Commission. (3)

Participants in the ROP self-assessment portion of the AARM will include the EDO, the Deputy Executive Director for Reactor Programs, the Directors of NRR, RES, and OE, and the regional administrators. Other office directors may also participate as applicable and at the discretion of the EDO. (4)

Analysis of Reactor Industry Trends (D)

To meet a key agency performance goal measure of "no statistically significant adverse industry trends in safety performance," the NRC uses selected indicators to monitor industry performance. The data for these indicators can come from a variety of sources, such as data required to be reported to the NRC under 10 CFR 50.73, "Licensee Event Report System," Monthly Operating Reports, and data voluntarily submitted by licensees for the ROP. (1)

The industry data are compiled and examined for any significant trends in performance, particularly adverse trends. If any statistically significant trends are identified, the NRC conducts further examination of the data to determine what, if any, actions may be appropriate. (2)

NRR will prepare a report on an annual basis that includes a trend analysis of industry performance. This report will be included in the AARM Executive Summary and will be used as the basis for discussions during the AARM regarding the analysis of industry trends. This report will be provided to the Commission and made publicly available. (3)

Participants in the industry trends portion of the AARM will include the EDO, the Deputy Executive Director for Reactor Programs, the Directors of NRR and RES, and the regional administrators. The office directors of OE and OI, the General Counsel, as well as the Agency Allegations Advisor, may also participate as applicable and at the discretion of the EDO. (4)

Discussion of Fuel Cycle and Other Materials Facilities (E)

The Director of NMSS, or regional administrators, as appropriate, will lead the discussion of performance for any fuel cycle or other materials licensees, including categories of licensees, that have significant safety or safeguards performance issues. Primary participants in these discussions will include the EDO, the Deputy Executive Director for Materials, Research and State Programs, the Director of NMSS, and the regional administrators. In addition, other office directors may participate as appropriate and at the discretion of the EDO. (1)

The senior managers will review the agency's actions that have been planned or completed to confirm their appropriateness and effectiveness. As a result of AARM discussions, the senior managers may recommend additional or alternate actions and/or allocation of agencywide resources. (2)

Correspondence Following the AARM (F)

In addition to the annual assessment letters for reactors, the NRC will issue separate letters to those reactor plants discussed during the AARM **if** any agency actions changed as a result of the senior managers' discussions. These letters are issued within 1 week following completion of the AARM, and 2 to 3 weeks before the Commission briefing. For fuel cycle and other materials licensees, the agency will evaluate the need to issue a letter to individual licensees or categories of licensees on a case-by-case basis. (1)

Correspondence Following the AARM (F) (continued)

At the discretion of the EDO, meeting minutes may be issued that summarize the key discussions and conclusions from the AARM. In most cases, these minutes may not be necessary unless agency actions change as a result of the AARM discussions. At a minimum, the staff will provide feedback to the Commission that there were no additional agency actions recommended as a result of individual plant discussions. If issued, the AARM meeting minutes will be provided to the Commission 2 to 3 weeks before the Commission briefing. (2)

Commission Briefing (G)

The staff will brief the Commission on the AARM results at a public meeting, typically within 4 weeks following completion of the AARM. The staff delivering the briefing will typically include the EDO, the Director of NRR, the Director of NMSS (if NMSS-related facilities or issues are discussed at the AARM), and the regional administrators. (1)

The briefing will include discussions of those plants that have significant performance problems and that were discussed during the AARM, if applicable. The staff's briefing will also include discussions of the results of the staff's self-assessment of the ROP, including lessons learned and recommended policy adjustments, and an analysis of industry performance trends. (2)

The briefing may also include discussions of licensee performance for fuel cycle and other materials licensees, as deemed appropriate by the EDO. (3)

Commission Briefing (G) (continued)

Representatives of those licensees being discussed may also be given the opportunity to prepare and deliver briefings if deemed appropriate by the EDO or the Commission. (4)