

May 26, 2006

Dr. Graham B. Wallis, Chairman
Advisory Committee on Reactor Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: PROPOSED APPROACH TO ENHANCE THE REACTOR OVERSIGHT
PROCESS TO ADDRESS SAFETY CULTURE ISSUES

Dear Dr. Wallis:

Thank you for your letter dated April 21, 2006, regarding the staff's proposed approach to enhance the Reactor Oversight Process (ROP) to address safety culture. In your letter, the Advisory Committee on Reactor Safeguards (ACRS) concluded that the proposed approach will significantly enhance the ability of the U.S. Nuclear Regulatory Commission (NRC) to identify and address safety culture issues. We agree that the approach (1) will provide better opportunities for the NRC staff to recognize safety culture weaknesses and take appropriate actions before performance degrades, (2) will provide the NRC staff with a process to determine if there is a need to specifically evaluate a licensee's safety culture after performance problems have resulted in a degraded cornerstone, and (3) will provide the NRC staff with a systematic safety culture evaluation process and a tool to review a licensee's safety culture assessment.

Your letter recommended, and we agree, that the staff should apply the experience gained with the enhanced process and reassess the adequacy of the guideline which specifies resident inspectors should spend 30-minutes daily reviewing the entries to the Corrective Action Program (CAP). To clarify, Inspection Procedure 71152 (IP71152), "Identification and Resolution of Problems," specifies that resident inspectors should perform an approximately 30-minute-long, daily screening review of the licensee entries into the CAP. If the results of the inspector's screening review identify issues or indicate additional inspections are necessary, the inspector can utilize other portions of IP71152 or another appropriate baseline inspection procedure to perform additional inspections. In that case, the inspector would have more time to perform an in-depth review of the issue. The adequacy of the 30-minute time allotment is currently under staff consideration, and the staff will use the current ROP self-assessment process to gather lessons-learned insights from the implementation of IP71152 and evaluate the need to amend the procedure.

The ACRS also recommended, and we agree, that the revision to Inspection Procedure 95003 (IP95003), "Supplemental Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input," should include criteria for safety culture assessments, clear thresholds for evaluating crosscutting aspects of findings, and clear expectations for the resolution of the staff's concerns with the licensee's safety culture.

With regard to criteria for safety culture assessments, IP95003 was extensively supplemented with criteria and guidance on the conduct of the safety culture assessment. In addition, the inspection team safety culture assessors will be individuals who have specialized knowledge,

skills, and abilities which will ensure that the safety culture inspection guidance is appropriately and uniformly applied and assessed.

With regard to thresholds for assessing cross-cutting aspects of findings, the process for this assessment and for identifying substantive cross-cutting issues remain the same, except for the safety conscious work environment cross-cutting area. However, the cross-cutting components within each of the cross-cutting areas are better defined which the staff believes will result in greater consistency and transparency in the process for assessing cross-cutting aspects of findings. Guidance for assessing cross-cutting aspects of findings is documented in Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program."

With regard to expectations for the resolution of the staff's concerns with the licensee's safety culture, NRC supplemented IP95003 with guidance on how the inspectors will identify safety culture components that contributed to the degraded performance in the affected strategic performance area(s). In accordance with IMC 0305, and following the conduct of IP95003, senior NRC managers will decide whether further agency actions are warranted. These actions could include additional supplemental inspection, a demand for information, a confirmatory action letter, or issuance of an order, up to and including a plant shutdown. At a minimum, the regional office will issue a confirmatory action letter to document the licensee's commitments as discussed in their performance improvement plan, as well as other commitments. The determination for closing out the inspection findings and exiting the Multiple/Degraded Cornerstone column of the action matrix remains the same as currently provided in IMC 0305.

The draft IP95003 that was issued for public comment is currently available in the Agencywide Document Access and Management System (ADAMS) (ML061000240) and can be located at the Safety Culture public Web page, <http://www.nrc.gov/what-we-do/regulatory/enforcement/safety-culture.html>.

The NRC staff appreciates the insights that the ACRS has provided concerning NRC's approach to enhance the ROP to more fully address safety culture.

Sincerely,

/RA M. Virgilio Acting for/

Luis A. Reyes
Executive Director
for Operations

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
SECY

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/RA M. Virgilio Acting for/
 Luis A. Reyes
 Executive Director
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cc: Chairman Diaz
 Commissioner McGaffigan
 Commissioner Merrifield
 Commissioner Jaczko
 Commissioner Lyons
 SECY

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