

May 16, 2007

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: R. W. Borchardt, Director */RA/* by G. Holahan */for/*
Office of New Reactors

William D. Travers, Regional Administrator
Region II Office

SUBJECT: RESULTS OF FIRST ANNUAL REVIEW OF THE CONSTRUCTION
INSPECTION PROGRAM

The purpose of this memorandum is to provide the Executive Director for Operations (EDO) with the first annual review of the implementation of the Construction Inspection Program (CIP). The staff performed this review to (1) ensure that the effective oversight of operating facilities is not adversely affected and (2) consider implementation alternatives, as appropriate, for addressing issues during the actual construction of new facilities. The requirement for this review stems from the April 21, 2006, staff requirements memorandum for SECY-06-0041, "Proposed Strategy to Support Implementation of the New Reactor Construction Inspection Program."

To measure potential CIP impacts, the staff used existing Reactor Oversight Process (ROP) performance metrics, and surveyed the regional offices and Headquarters. The staff evaluated the ROP metrics as reported in Reactor Oversight Process Self-Assessment For Calendar Year 2006, SECY-07-0069, dated April 6, 2007. The methodology and attributes of these metrics are described in IMC 0307, ROP Self-Assessment Program. The staff also evaluated a variety of metrics that measured staff hours, completion of the inspection cycle, regional budgets, and efficiency initiatives. These metrics offer an agency-wide perspective regarding the performance across all four regional offices and would show trends of potential adverse impacts. The staff considered this national perspective important since the resources to provide staffing for the inspector field office located at Region II often are selected from Headquarters and other regional offices. Using this national perspective, Headquarters can better ensure that the implementation of the CIP is not inappropriately impacting experience levels among all regional offices.

CONTACT: James Gaslevic, NRO/DCIP
301-415-2776

James Andersen, NRR/DIRS
301-415-3565

Mark Lesser, R-II/DCI/CIB1
404-562-0544

The staff compiled the following ROP metrics and calendar year (CY) 2006 results for this assessment:

1. IP-3, "Completion of Baseline Inspection Program"
All four regions completed their baseline inspections in CY 2006, and documented their completion of the Baseline Inspection Program. Therefore, the metric has been met based on its criteria of all four regions completing the Baseline Inspection Program during ROP cycle 7 (CY 2006).
2. O-13, "Analysis of ROP Inspection Hours and Resource Expenditures"
Overall staff effort in CY 2006 was essentially unchanged compared with CY 2005, although the distribution of effort varied among the various elements of the ROP. The staff noted in the ROP annual self-assessment that the O-13 metric was met for the CY 2006 inspection cycle, providing another indicator that the CIP has not adversely affected the ROP.
3. O-14, "Analysis of Resident Inspector Demographics and Experience"
The staff concluded that the levels of experience of both Resident Inspectors (RIs) and Senior Resident Inspectors are relatively high, the Resident Inspector and Senior Resident Inspector staffing levels are generally good, and that the staffing turnover rate for CY 2006 was not excessive. The RI Program continues to attract and retain quality staff. Based, in part, on early trends in Region I, the staff plans to closely monitor this area in 2007 as career opportunities increase due to the formation of the New Reactors Office, CIP, and the expansion of the nuclear industry. The staff determined that this metric met its program expectations.
4. O-15, "Analysis of Site Staffing"
This year, each region successfully maintained ROP site coverage. However, one site did not meet the success criteria for being fully staffed, primarily because of the assignment of the Resident Inspector to special work. The staff determined that oversight continuity was maintained, the site was adequately covered, and at no time did this site operate without qualified inspectors. This anomaly was not a result of any construction inspection program impact, and the staff determined that this metric met its program expectations for each region.
5. Regional Division Directors Input
The staff solicited input from the Regional Division Directors regarding impact of the CIP on regional performance. The Regional Division Directors affirmed that no adverse impacts were reported at this time. However, the Regional Division Directors affirmed the need to continue to closely monitor ROP metrics and regional operating plan metrics during CY 2007 for potential impacts on the effective oversight of operating plants.
6. Headquarters Input
The staff also solicited input from the Office of Nuclear Reactor Regulation, Division of Inspection and Regional Support, the Office of Nuclear Safety and Incident Response, and the Office of Enforcement. The division and offices affirmed that Headquarters' ability to provide program oversight was not impacted at this time.

In summary, the staff evaluated the metrics that would likely indicate an adverse impact by the CIP on the effective oversight of operating facilities. Since no impact was measured in CY 2006, the staff did not evaluate alternatives at this time. However, the staff will consider implementation alternatives for addressing issues if impacts are measured during the staff's monitoring of ROP metrics and regional operating metrics during CY 2007. There were no measurable reductions in the regions' abilities to implement the ROP or in Headquarters' ability to provide program oversight in CY 2006. Since Region II will be staffing the CIP inspectors throughout CY 2007, the staff will use the information in this memo as a baseline to measure CY 2007 performance. Although the staff viewed these metrics nationally, region-specific metrics could be included if a significant number of resources are drawn from one region.

Next year, the staff will report those CY 2007 findings to the EDO in accordance with the staff requirements memorandum for SECY-06-0041, "Proposed Strategy to Support Implementation of the New-Reactor Construction Inspection Program."

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L. Plisco, Region II
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DISTRIBUTION: RidsNrcEdo Glenn Tracy RidsNroOd William D. Travers Richard Rasmussen

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OFFICE	DCIP/CCIB	TechEd	BC:DCIP	D:DCIP/NRO	NRR	RII	OGC
NAME	JGaslevic:nxh2	HChang	RRasmussen	GTracy	JDyer	WTravers /RA/ by email	KWinsburgh
DATE	03/ 26 /07	03/28/07	04/ 04 /07	04/ 05 /07	04/ 08 /07	05/ 03 /07	04/ 9 /07

OFFICE	D:DRP/ RI	D:DRP/ RIII	D:DRP/ RIV	OD:NRO
NAME	DLew /RA/ by email	MSatorius /RA/ by email	AHowell /RA/ by email	Wborchardt /RA/ by GHolahan for
DATE	5/ 13 /07	5/ 14 /07	5/ 10 /07	05/ 16 /07