



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Fred Thompson, Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions
cc: Senator John Glenn

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See Encl



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Ted Stevens, Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Senator Robert C. Byrd

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Bob Livingston, Chairman
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Representative David Obey



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Dan Burton, Chairman
Committee on Government Reform and Oversight
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Representative Henry Waxman



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Senator Bob Graham



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Dan Schaefer, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Representative Ralph Hall



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Tom Bliley, Chairman
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Representative John D. Dingell



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable John H. Chafee, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Senator Max Baucus



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0201

January 28, 1998

The Honorable Frank Murkowski, Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

cc: Senator Dale Bumpers



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20565-0001

January 28, 1998

The Honorable Charles A. Bowsher
Comptroller General of the United States
General Accounting Office
Washington, D.C. 20548

Dear Mr. Bowsher:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 28, 1998

The Honorable Franklin D. Raines
Director, Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Raines:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," includes progress made on resolving and completing the recommendations since our last summary report submitted on January 22, 1997.

Sincerely,

Shirley Ann Jackson

Enclosure:
Summary of NRC Actions

SUMMARY OF NRC ACTIONS
RESPONSE TO GAO REPORTS

- 1. NRC's Decommissioning Procedures and Criteria Need to be Strengthened A-2**
- 2. Nuclear Regulation Action Needed to Control Radioactive Contamination at Sewage Treatment Plants A-3**
- 3. Nuclear Employee Safety Concerns: Allegation System Offers Better Protection, But Important Issues Remain A-5**
- 4. Nuclear Regulation - Preventing Problem Plants Requires More Effective NRC Action A-8**

GAO Report - NRC's Decommissioning Procedures and Criteria
Need to be Strengthened
May 1989
(GAO/RCED-89-119)

Recommendation No. 2 (Chapter 5)

The GAO report recommended that NRC ensure that licensees decontaminate their facilities in accordance with NRC's guidance before fully or partially releasing a site for unrestricted use.

NRC Response of September 26, 1989 and Current Update

The NRC agreed. Our response reported that licensees are required to decontaminate their facilities in a safe manner prior to release for unrestricted use. We expanded the scope of our confirmatory surveys to verify that licensees adequately decontaminate their facilities in accordance with NRC's guidance and criteria. Our inspectors and agency contractors have been trained and equipped to perform such verification surveys during closeout inspections to confirm the accuracy of the licensees' surveys. In addition, the NRC committed to revise existing guidance to clarify the scope and rigor of verification surveys conducted to ensure that licensees decontaminate their facilities in accordance with our guidance before the NRC fully or partially releases a site for unrestricted use. This guidance was published for interim use and comment as NUREG/CR-5849 in July 1992, and a notice of availability was published in the Federal Register (57 FR 33374).

The NRC staff has been involved in a cooperative effort with DOE and EPA to develop a site survey manual that could be used by all three agencies. A draft of this document, entitled the "Multi-Agency Radiation Survey and Site Investigation Manual (MARSSIM), was issued for public comment as NUREG-1575 in December 1996. Based on the public comments received, a final version of the MARSSIM is anticipated to be issued in early 1998.

To provide clear criteria for licensees to use in the decontamination of their facilities, the NRC issued a final rule on radiological criteria for license termination on July 21, 1997 (62 FR 39058). This rule contains acceptable levels for release of a site for unrestricted use, as well as requirements for release of a site with restrictions on future use. The rule also contains requirements for public participation in the license termination process. The staff is presently preparing guidance on surveys and dose modeling for compliance with the final rule. It is anticipated that this guidance will be issued in 1998. To ensure finality for sites cleaned up to these NRC or equivalent Agreement State standards and thus to provide further incentives to licensees to meet those standards, the NRC proposed amendments to CERCLA (Superfund) reauthorization legislation that would recognize NRC's or an Agreement State's standards as being adequately protective and sufficient to safely allow license termination and release of decontaminated sites.

This GAO recommendation remains open.

GAO Report - Nuclear Regulation
Action Needed to Control Radioactive Contamination
at Sewage Treatment Plants
May 1994
(GAO/RCED-94-133)

Recommendation No. 1

Determine the extent to which radioactive contamination of sewage sludge, ash, and related byproducts is occurring.

NRC Response of August 22, 1994 and Current Update

The NRC is continuing to evaluate the extent to which radioactive contamination of sewage sludge, ash, and related byproducts is occurring. Initial results of NRC inspections and research analysis conducted in the mid- to late-1980s indicated that the problem was limited to only a few treatment plants that served licensees engaged in certain well-defined activities. As a result, NRC regulations (10 CFR Part 20) were revised in 1991 to prohibit the discharge of liquids containing insoluble radioactive waste materials that tended to settle out of the sewage water.

In addition to the changes to our regulations, in 1993 we initiated additional studies to understand the complexities of radioactive material reconcentration, such as the possible effects of implementation of state-of-the-art sewage treatment technologies on materials that, under traditional treatment methods, did not reconcentrate. In an October 11, 1994 letter, NRC and EPA notified water and radiological officials of all States of the potential for reconcentration of radioisotopes in sanitary sewer systems.

Currently, the NRC is working with EPA and other interested parties to develop a national approach for ensuring the protection of treatment workers and the public. Through the Interagency Steering Committee on Radiation Standards, NRC and EPA are currently developing a national survey of sewage treatment plants to assess the extent of radioactive contamination in sludge, ash, and byproducts. A pilot survey of nine facilities is almost completed, with the full survey scheduled for 1998 after OMB approval is received. In addition, NRC and EPA are developing guidance on radioactive material in sewer sludge, ash, and byproducts, including acceptable levels of radioactivity in these materials. The NRC and EPA made a preliminary draft of the guidance document available to the public in May 1997 and are revising the document to reflect public comments.

The NRC received a number of comments in response to an Advance Notice of Proposed Rulemaking, published in the Federal Register in February 1994, soliciting information and suggestions in the area of sewer disposal of radioactive materials. The NRC staff is evaluating these responses, as well as information obtained from contracting efforts to evaluate the potential for radioactive material to concentrate in sewage sludge. The staff will develop a more

realistic model to evaluate the sewer pathway after results of the sewage survey are available. The staff will determine whether revision to Part 20 is needed after completion of the modeling work.

This GAO recommendation remains open.

Recommendation No. 3

Establish acceptable limits for radioactivity in sludge, ash, and related by-products to ensure the health and safety of treatment workers and the public.

NRC Response

NRC agrees that it is important to have acceptable limits for radioactive materials in sludge, ash, and related by-products. We will continue to work with EPA and sewerage operators to develop a national approach to this issue and ensure adequate protection of the public health and safety.

The NRC has begun to solicit comments on policy issues associated with the release of radioactive materials to sanitary sewers (see 59 FR 9146). In addition, rulemaking efforts are now ongoing to evaluate the question of generally applicable release limits for slightly radioactive materials (i.e., contaminated sludge and ash that are produced continuously and that may have cumulative dose effects when regularly placed in landfills). These efforts include the use of computer models to evaluate the possible pathways of migration of contaminants in the environment. We also intend to address the possible uses of the slightly contaminated sludge and ash in commercial products such as fertilizers and the dose effects of these uses.

In any rulemaking activities associated with release of radioactive materials to sewers, the NRC will consider the various pathways whereby the public could receive a radiation dose, including doses due to exposure to radioactivity in sludge and ash. The NRC will consider rulemaking in this area after completing its analysis of the results of EPA's sewage survey, which is currently scheduled to be conducted in 1998-1999.

This GAO recommendation remains open.

**GAO Report - Nuclear Employee Safety Concerns:
Allegation System Offers Better Protection,
But Important Issues Remain
March 1997
(GAO/HEHS-97-51)**

The General Accounting Office (GAO), in its report "NUCLEAR EMPLOYEE SAFETY CONCERNS - Allegation System Offers Better Protection, but Important Issues Remain," made specific recommendations for improving the timeliness of the Department of Labor's allegations processing, the NRC's ability to monitor the allegation process, and the NRC's knowledge of the work environment at nuclear power plants. The recommendations and the NRC's responses are provided below.

Recommendation 1

To improve the timeliness of Labor's processing, we recommend that the Secretary of Labor establish and meet realistic timeliness standards for all three steps in its process for investigating discrimination complaints by employees in the nuclear power industry.

NRC Response:

The NRC agrees with this recommendation. As noted on page 16 of the report, the NRC has drafted legislation that would establish realistic timeliness standards. The draft was provided to DOL on November 11, 1996, for comment and meetings were held with DOL in March and September 1997 to discuss the draft. The NRC is currently waiting for comments from DOL. Upon receipt of the comments, NRC will prepare a final proposal for approval by both agencies and subsequently submit the legislation to Congress.

This GAO recommendation remains open.

Recommendation 2

To improve the NRC's ability to monitor the allegation process, we recommend that the Chairman, NRC, complete the implementation of the NRC review team's recommendation to establish and operate the revised Allegation Management System in all organizational components within the NRC. We also recommend that the Chairman, NRC, and the Secretary of Labor coordinate information on the status of cases at Labor.

NRC Response:

As noted in the original response, the NRC agrees with the intent of this recommendation. However, we do not believe it was the review team's intent that the Allegation Management System (AMS) be established and operated in all organizational components within the NRC (i.e., there does not appear to be a need for the administrative organizations to have access to AMS.) The review team's recommendation concerning the AMS was that:

"The NRC should revise the Allegation Management System to be able to track and monitor an allegation from receipt to the completion of agency action."

The AMS currently has the capability to track and monitor allegations from receipt to completion of agency action, including allegations that involve complaints of discrimination filed with DOL.

This tracking includes the NRC's investigative results and any subsequent enforcement action, as well as each stage of the DOL process. We believe the AMS currently performs the functions recommended by GAO. However, the information systems used by the Offices of Enforcement and Investigations are being updated to improve the efficiency of sharing data.

With regard to who has access to the system, the primary users of the AMS are the four regions and the Offices of Nuclear Reactor Regulation, Nuclear Materials Safety and Safeguards, and State Programs. These organizations are responsible for receiving, resolving, and tracking allegations. Other offices that use data from the AMS are the Offices of Enforcement (OE), Investigation (OI), and Analysis and Evaluation of Operational Data (AEOD). The primary users, OI, OE, and AEOD, currently have direct access to the AMS and the other offices have access to the data in AMS.

In response to the recommendation that NRC and DOL coordinate information on the status of complaints at DOL, the Occupational Health and Safety Administration (OSHA) is providing a list of complaints filed, along with current status, on a quarterly basis. NRC uses the list to verify that we are aware of the complaints filed and current status, and that the complaints are being tracked in the AMS. DOL continues to provide the NRC with copies of all decisions issued by the Administrative Law Judge and the Administrative Review Board. Since OSHA numbers their cases, the NRC will be able to track complaints filed with DOL as they progress through the DOL process.

This GAO recommendation remains open.

Recommendation 3

To improve NRC's knowledge of the work environment at nuclear power plants, we recommend that the Chairman, NRC, ensure the implementation of recommendations to provide information on the extent to which the environment in nuclear power plants is favorable for employees to report health or safety hazards without fear of discrimination. This would include recommendations on tracking and monitoring allegation cases and settlements, routinely providing feedback forms in allegation case close-out correspondence, systematically following up on chilling effect letters, and using a survey or other systematic method of obtaining information from employees.

NRC Response:

The NRC is currently tracking, monitoring, and trending allegations for the purpose of providing insights into the freedom of employees at nuclear power plants to raise safety concerns both to their management and the NRC without fear of retaliation. Additionally, the AMS was modified to accommodate tracking, monitoring, and trending of settlements that occur during the DOL process and chilling effect letters issued by the NRC.

With respect to including feedback forms in closure correspondence, the schedule for mailing feedback forms to another random sample of allegers slipped one quarter and was completed December 31, 1997. After analyzing the responses and evaluating the resource implications, the NRC will decide whether to routinely include the form in all future closure correspondence.

On February 26, 1997, the NRC published in the *Federal Register* a request for public comment on several strategies for evaluating the environment at licensee facilities. The comment period closed May 27, 1997 and 31 comments were received. Generally stated, the majority of the

commenters, including the Nuclear Energy Institute (NEI) and the Union of Concerned Scientists (UCS), while supporting the importance of establishing and maintaining a safety-conscious work environment at nuclear facilities, opposed proceeding with establishing a standardized approach for licensees who had failed to establish and maintain a safety-conscious work environment. Almost all commenters agreed that existing requirements and regulatory options available to the Commission are sufficient to meet expectations in this area and that new requirements and policies were not needed. The staff has submitted a paper to the Commission recommending publication of a Federal Register Notice withdrawing the NRC's February 26, 1997 Notice requesting comments on new proposals regarding a "safety conscious work environment." On January 22, 1998, the Commission approved this recommendation.

Separate from responding to the request for public comment, the NRC's Office of Research is continuing its review of methodologies for assessing work environments.

This GAO recommendation remains open.

**GAO Report - Nuclear Regulation - Preventing Problem
Plants Requires More Effective NRC Action
May 1997
(GAO-RCED-97-145)**

The General Accounting Office (GAO), in its report "Nuclear Regulation— Preventing Problem Plants Requires More Effective NRC Action," recommended several actions for the U. S. Nuclear Regulatory Commission (NRC) in order to develop strategies to more aggressively act on safety deficiencies when they are discovered. These recommendations, and the NRC's responses to them, are provided below.

Recommendation 1

Require inspection reports to fully document for all plants the status of the licensee's actions to address identified problems under NRC's corrective action requirements, including timetables for the completion of corrective actions and how NRC will respond to nonconformances with planned actions.

NRC Response:

The NRC agrees with the recommendation to improve oversight of licensees' timely resolution of problems. The staff has long recognized the importance of the licensee's corrective actions and has several processes that focus considerable inspection effort and management attention on this area, as described below:

- NRC inspectors review the adequacy and timeliness of corrective actions taken by the licensees in response to violations of NRC requirements and deviations from licensing commitments, and they document this review in their inspection reports, which are public documents. These violations and deviations result from nonconformances identified during NRC inspections of the facility or by the licensee's own problem identification process.
- NRC inspectors routinely monitor, review, and verify the adequacy of licensee corrective actions. Since licensees annually identify thousands of deficiencies, NRC resource limitations demand that these inspections are performed on a selective basis, focusing on those issues that are most risk- and safety-significant.
- In addition, the NRC reviews the licensee's corrective action program at each reactor facility on a periodic basis (Inspection Procedure 40500, "Effectiveness of Licensee Controls in Identifying, Resolving, and Preventing Problems") to verify that the licensee is implementing an adequate program.
- NRC's enforcement policy specifies appropriate enforcement actions for nonconformances with planned and required corrective actions. Additionally, to encourage licensees to identify and resolve problems, the enforcement policy provides for mitigation of the sanction for timely identification and prompt and comprehensive corrective actions by the licensee.

However, problems identified at the Millstone and Salem plants related to the licensees' failure to take prompt corrective action, as noted in the GAO report, indicate this area warrants greater attention from the NRC.

The staff has begun a review of its internal processes to identify areas for improvement in assessing the timeliness, prioritization, engineering support, and quality of the corrective actions taken by licensees. Areas included in the staff's review are the plant performance review, the systematic assessment of licensee performance, and the senior management meeting (SMM) processes. The agency is strengthening its processes for assessing the effectiveness of a licensee's corrective action program by focusing on what a licensee has done as opposed to what it plans to do. In that regard, the NRC intends to provide additional guidance on how inspectors should close out issues identified in NRC inspection reports. The NRC will complete its review such that required program changes can be implemented by 6/30/98.

As previously noted, the staff is developing a process to more clearly identify and track those licensing commitments that the staff relies on to make regulatory decisions. The staff is also reviewing appropriate mechanisms to verify the implementation of licensee commitments and NRC requirements. The staff has taken the following actions to date to address this issue:

- (1) The staff has developed a schedule, attached to the Associate Director for Projects Process Improvement Plan, for implementing a program for identifying, tracking, and verifying licensee commitments that are relied upon in licensing actions, such as license amendments. Milestones include applying this process more broadly, to cover other licensee commitments.
- (2) On February 21, 1997, the staff issued an interim guidance memorandum for Improved Standard Technical Specifications conversions so that licensee commitments to relocate Technical Specifications requirements to licensee-controlled documents, such as the FSAR, are made license conditions. Additional guidance is being developed and training will be held for the NRR staff.
- (3) NRR has completed a pilot program for licensing actions that identified commitments that the staff relied upon in making regulatory decisions and established a process whereby these commitments would be legally binding. The results of the pilot program have been incorporated into the guidance that is now being developed.
- (4) The staff has developed additional screens for the NRR Workload Information and Scheduling Program (WISP) computer database system to allow the staff to track and report on licensee commitments that are relied upon for regulatory decisions. This system is operational and the staff is being instructed as to its usage.
- (5) In addition to the above efforts related to the staff's review of proposed changes to operating licenses, the staff will conduct audits of selected licensee commitment management programs in order to develop recommendations to the Commission regarding the adequacy of current programs or the need to develop additional guidance or regulations. These recommendations will involve whether the NRC should formalize

commitments made by licensees in their responses to violations, staff inquiries, or other correspondence such that the commitments are subsequently controlled in accordance with specific NRC regulations. The staff is scheduled to complete the audits and submit recommendations to the Commission by Fall 1998.

While the NRC intends to follow more closely the corrective actions for issues included in inspection reports, the NRC does not agree with the specific recommendation to track and document in the inspection reports the status of corrective actions for all licensee-identified issues, including how NRC would respond to nonconformances with planned actions. Criterion XVI of 10 CFR Part 50, Appendix B, requires licensees to promptly identify and correct failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances. Given the sheer number of issues identified, the efforts required by the NRC to document and track deficiencies regardless of safety significance, as recommended in the GAO report, would be enormous and without a commensurate safety benefit. Moreover, this task could cause the NRC to redirect increasingly scarce resources away from oversight of ongoing performance and safety issues.

This GAO recommendation remains open.

Recommendation 2

Make licensees' responsiveness to identified problems a major feature of the information provided to the participants of the Senior Management Meetings, including how NRC will respond if problems go uncorrected. For example, NRC should describe the range of sanctions that it will impose on the licensees on the basis of the potential seriousness of their failure to resolve problems within a predetermined time. These sanctions should range from assessing fines to involuntary shutdown of the plant.

NRC Response of August 18, 1997 and Current Update:

The NRC agrees that the licensee's responsiveness to identified problems is a critical performance criterion. The current NRC inspection and enforcement programs have well-established requirements that focus on this criterion. (See the response to GAO recommendation 1.)

Recent initiatives aimed at improving the SMM process, including development of an SMM nuclear power plant performance evaluation template, have clearly emphasized the importance of evaluating the licensee's responsiveness to identified problems. The staff has recently strengthened the corrective action evaluation criteria found in the "Staff Guidelines for Restart Approval" (Inspection Manual Chapter 0350), which is the guidance document used by the staff in assessing plants that are in an extended shutdown as a result of performance issues. In addition, the Commission directed the staff to further improve the SMM process by developing better indicators that can provide a more objective basis for judging whether a plant should be placed on or removed from the NRC Watch List. These improved performance indicators and objective measures will enhance staff's ability to take appropriate regulatory actions including additional enforcement where past enforcement actions have not been effective.

It should be recognized that the NRC's enforcement policy already identifies sanctions for licensees that fail to resolve problems within a definitive period. The NRC's enforcement policy provides for matching sanctions for a violation to the safety and regulatory significance of the violation and establishes a graduated system of sanctions that include noncited violations, notices of violations, civil penalties, and orders to modify, suspend, or revoke a license. The NRC clearly imposes more substantial penalties for more significant problems. In determining the significance of a problem and the appropriate enforcement sanction, the established process also takes into consideration (1) the licensee's previous opportunity to identify and resolve the problem and (2) the length of time the problem remained unresolved because of the licensee's failure to take corrective actions.

Currently, the staff has completed development of the preliminary version of a Performance Trending methodology. The method includes two algorithms for tracking plant performance against multiple performance indicators. The two algorithms are being used on a pilot basis in the January 1998 senior management meeting (SMM) cycle, which began in October 1997. The trending methodology has provided valuable insight in the selection of plants for discussion at the January meeting.

The enforcement history has been an important consideration in the SMM process. However, enforcement actions are taken on a timely basis and are not delayed until the next SMM. As a part of our effort to improve the SMM and the licensee performance assessment process, we will consider ways to enhance the use of enforcement information.

Currently, the staff is developing a plant performance template, which embodies six categories in which each plant will be assessed. Future NRC assessments of plant performance will be based in part on the template. The information base for the template will comprise all performance information available to the NRC staff, including inspection findings, event reports, and enforcement information. To date, the staff has only incorporated inspection information into the template. Enforcement information will be added when the template development process is farther along.

This GAO recommendation remains open.

Recommendation 3

Require that the assessment of management's competency and performance be a mandatory component of NRC's inspection process.

NRC Response:

NRC agrees that the performance of the licensee's management is instrumental in the licensee's operational safety performance. It has been, and remains, the staff's practice to conduct performance-based inspections in all areas of facility operation and design and, on the basis of the inspection results, to draw conclusions about the effectiveness of the licensee's management. In this regard, the evaluation of management effectiveness has been an important part of the NRC assessment process.

As part of its effort to improve the SMM process, the staff is investigating the development of management effectiveness assessment tools to improve the current plant performance evaluation methodology. This methodology will evaluate various insights in a more timely and systematic manner to identify instances in which management is not effective. Future decisions will be made regarding implementation after the staff completes development activities and successfully tests implementation.

The plant performance template (see response to GAO recommendation 2) under development by the staff will consist of performance categories and subcategories representing six assessment areas, including management effectiveness. Criteria for assessing performance for each category will be defined. The staff has begun a trial use of the plant performance template and it will be discussed during public workshops scheduled for the Spring of 1998.

This GAO recommendation remains open.

