

February 11, 2008

MEMORANDUM TO: Bruce S. Mallett
Deputy Executive Director for Reactor
and Preparedness Programs
Office of the Executive Director for Operations

Martin J. Virgilio
Deputy Executive Director for Materials, Waste,
Research, State, Tribal, and Compliance Programs
Office of the Executive Director for Operations

James E. Dyer, Director
Office of Nuclear Reactor Regulation

Cynthia A. Carpenter, Director
Office of Enforcement

FROM: Luis A. Reyes **/RA/**
Executive Director for Operations

SUBJECT: PEACH BOTTOM LESSONS LEARNED

In December 2007, Bruce S. Mallett, Deputy Executive Director for Reactor and Emergency Preparedness Programs, tasked a team to evaluate NRC actions associated with the review of allegations and inspection activities related to inattentive security officers at the Peach Bottom nuclear power plant in 2007 and determine lessons learned. This lessons learned review team, led by Marc L. Dapas, Deputy Regional Administrator, Region I, focused on answering three questions: (1) whether the NRC's allegation process was followed; (2) whether the process should be changed to more effectively evaluate and respond to allegations; and (3) whether the guidance for inspection of allegations or for baseline inspections should be changed to more effectively detect inattentive security officers at nuclear facilities. The team completed its review in January and provided a report to Dr. Mallett on February 6, 2008.

I have determined that the review was thorough, addressed the appropriate questions, and included a broad spectrum of input from individuals in Region I, the Office of Enforcement, other regional offices, and the Office of the Executive Director for Operations. The team made recommendations for improvement in the NRC's allegation and inspection programs, which would apply to fuel cycle and other large materials facilities with required security officers, as well as, the nuclear reactor facilities. The team's report wrote these recommendations in the form of areas for further evaluation.

While I agree with the recommendations and have grouped them into a list of actions to address the lessons learned findings (below), we should not lose sight that this is only one of several activities underway regarding Peach Bottom. Both the Office of the Inspector General and the Office of Investigation are moving forward with investigations of this issue, and I may modify these tasks based on the outcome of the investigations.

Forwarding Allegations and Evaluating Licensee Responses

- Expand the guidance for obtaining additional information from the alleged to adequately scope the problem.
- Modify the allegation review board procedure to document how allegation follow up history, allegation trends, inspection findings, etc. are evaluated in the decision to forward an allegation for licensee follow up.
- Provide direction to include specific, descriptive information and scope of expected review when forwarding an allegation to a licensee.
- Modify the allegation process to include a more formal, structured review of licensee responses to forwarded allegations, including the extent of NRC, independent follow up.

Communications/Interactions with Concerned Individuals

- Change the guidance to require contact with the concerned individual to obtain information to scope the complete concern in all instances.
- Modify the procedure for documenting closure of allegations to include sections on how the licensee followed up on forwarded concerns, the NRC evaluation of the adequacy of the licensee follow up, and how the NRC independently verified the licensee's follow up.

NRC Inspection Process for Detecting Inattentiveness

- Modify the inspection procedures to include specific guidance on techniques for maximizing methods to detect inattentiveness. Factor licensee responses to Bulletin 2007-01 into this guidance.
- Expand the inspection procedures to include a review of all open allegations or past allegation trends pertaining to areas to be inspected during preparation for baseline inspections at a facility.
- Modify the allegation review process to include a structured method to inform NRC resident inspectors of all allegation concerns and allegation board direction to follow up for their assigned site.

By this memorandum, I am establishing a senior executive review panel to decide how best to act upon the recommendations and the list of actions in this memorandum (e.g., who should be tasked to implement actions and a schedule to address each recommendation). The panel should also determine if the list of recommendations and actions should be expanded. The panel members should be: Bruce S. Mallett (Chair), Martin J. Virgilio, James E. Dyer, and Cynthia A. Carpenter. The panel should convene and make this determination and provide a response to me within two weeks of the date of this memorandum.

B. Mallett, et al.

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In parallel, I have directed Bruce S. Mallett to forward the review team's findings, recommendations, and a copy of this memorandum to the Agency's Lessons Learned Oversight Board for review.

A copy of the team's report is attached for your use. If you have any question or desire to discuss, please contact me.

Enclosure:

Review Team Findings with Respect
to Inattentive Security Officers at
Peach Bottom

B. Mallett, et al.

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