August 30, 2004

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary ***/RA/***

SUBJECT: STAFF REQUIREMENTS - SECY-04-0111 - RECOMMENDED STAFF ACTIONS REGARDING AGENCY GUIDANCE IN THE AREAS OF SAFETY CONSCIOUS WORK ENVIRONMENT AND SAFETY CULTURE

The Commission has approved Option 1A to engage stakeholders by noticing the draft document in the Federal Register for a brief comment period, subject to the changes noted in the attachment. Options 1B and 1C are disapproved. Although the document is being issued for public comment, there should be no further discussion on whether to issue the document. It should be clear to stakeholders that the comments should address the content of the document only. The content of any notice attached to the document should explicitly reflect the connection between a Safety Conscious Work Environment and Safety Culture. At a minimum the staff should explain as it did in the paper that SCWE is an attribute of Safety Culture.
(EDO) (SECY Suspense: 9/24/04)

The Commission has approved Option 2C to continue to monitor industry efforts to assess Safety Culture and ensure the Commission remains informed of industry efforts and progress. Of particular note was the progress made by INPO to address recent industry issues in this area. As industry works to develop guidance in this area, the staff should use its resources to ensure that it has programs and procedures in place that encourage licensees to establish strong Safety Culture programs. Options 2A and 2B are disapproved.

The Commission has approved Option 3B to enhance the Reactor Oversight Process (ROP) treatment of cross-cutting issues to more fully address Safety Culture. The staff should not use surveys of licensee personnel, but rather should rely on inspector observations and other indicators already available to the NRC. Consequently, the staff should develop tools that allow inspectors to rely on more objective findings. The staff should consider including enhanced problem identification and resolution initiatives as part of this effort. Most important, the staff should ensure that the inspectors are properly trained in the area of Safety Culture. The staff should consider developing an enhanced training program for its inspectors and resident inspectors on Safety Culture that uses both insights from INPO's work in this area and insights from the international community. The staff should consider if the cross-cutting issues in the enhanced ROP treatment may be more appropriately labeled Safety Management rather than Safety Culture. In making any changes, the staff should follow the established processes for revising the ROP, in particular the process for involving stakeholders.

As a further enhancement to the ROP, the staff should include as part of its enhanced

inspection activities for plants in the Degraded Cornerstone Column (referred to as Column Three) of the ROP Action Matrix, a determination of the need for a specific evaluation of the licensees Safety Culture. The staff should interact with our stakeholders to develop a process for making the determination and conducting the evaluation. The staff's methodology for using the treatment of cross-cutting issues to more fully address Safety Culture should require a specific determination for plants in the Degraded Cornerstone Column.

With respect to Option 3C, the staff should continue to monitor developments by foreign regulators, as directed in the SRM on SECY-02-0166, but should limit the expenditure of resources in this area to previously programmed levels. Options 3A, 3D, and 3E are disapproved.

The attachment contains recommended revisions to the draft document on "Establishing and Maintaining a Safety Conscious Work Environment", but the staff should feel free to continue to improve this document.

Attachment: Changes to the Federal Register notice in SECY-04-0111

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
OGC
CFO
OCA
OIG
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR

Attachment

Changes to the Federal Register notice in SECY-04-0111

1. On page 3, last paragraph, revise line 2 to read ' ... raise concerns; and (c) makes clear that ....'

2. On page 4, bullet 2 at the top of the page, add semi-colon at the end. In bullet 5, add a period at the end.

3. On page 4, 1st full paragraph, line 2, correct the spelling of "principles."

4. On page 4, sub-bullet 4, revise line 2 to read ' ... regarding a ~~an~~ provision of ....' In sub-bullet 5, revise line 1 to read ' ... in, or being ~~is~~ about to ....'

5. On page 5, 2nd full paragraph, revise line 2 to read ' ... quality assurance programs, corrective ....'

6. On page 6, bullet 3, delete "or not".

7. On page 6, paragraph 2, remove the comma after "staff."

8. On page 6, last paragraph, after the title to paragraph B., remove the dash and start a new paragraph with "Aside."

9. On page 7, paragraphs C., D., E., and F., remove the dash and start a new paragraph after the title.

10. On page 7, paragraph E., revise the title to read '**Timely Feedback is** ...' Revise line 1 to read 'Timely f~~F~~eedback should ....'

11. On page 8, paragraphs G., H., and A., remove the dash and start a new paragraph after the title.

12. On page 8, paragraph H., line 10, correct the spelling of "accessibility."

13. On page 8, paragraph A., revise the title to read '**Lessons Learned Evaluations**' Revise line 1 to read 'It may be useful to p~~P~~eriodically evaluate ....'

14. On page 9, paragraphs B., C., and D., remove the dash and start a new paragraph after the title.

15. On page 9, last paragraph under C., revise line 4 to read ' ... above and others may provide some ....'

16. On page 10, 4th full paragraph, revise line 2 to read ' ... work groups or ~~and~~ generic to the ....' Revise line 4 to read ' ... results of a survey or ....'

17. On page 10, paragraphs E., F., and G., remove the dash and start a new paragraph after the title.

18. On page 11, paragraph 1, line 7, consider replacing “reasonableness” with “extent” or “effectiveness.”

19. On page 11, paragraphs A., B, and C., remove the dash and start a new paragraph after the title.

20. On page 11, paragraph A., revise lines 6 and 7 to read ‘ ... subcontractors that the licensee ~~they~~ expects them to ....’ Revise line 8 to read ‘ ... discrimination against ~~of~~ contractor ....’ Revise line 9 to read ‘ ... SCWE, or they adopt and ....’

21. On page 12, paragraph 1, revise line 4 to read ‘ ... the potential impact the contractor’s ~~their~~ actions might ....’

22. On page 12, paragraph D., remove the dash and start a new paragraph after the title.