

August 8, 2013

MEMORANDUM TO: Chris Regan, Chief  
Reactor Inspection Branch  
Division of Inspection and Regional Support  
Office of Nuclear Reactor Regulation

FROM: Marsha Gamberoni, Senior Reactor Operations Engineer **/RA/**  
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SUBJECT: SUMMARY OF THE EFFECTIVENESS OF THE REACTOR  
OVERSIGHT PROCESS BASELINE INSPECTION PROGRAM  
PUBLIC MEETING HELD JULY 17, 2013

On July 17, 2013, the U.S. Nuclear Regulatory Commission (NRC) held a public meeting with external stakeholders to discuss the effectiveness of the Reactor Oversight Process (ROP) Baseline Inspection Program. Enclosure 1 contains the meeting attendance list; Enclosure 2 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13178A113) contains the slides used for discussion during the meeting; Enclosure 3 (ADAMS Accession No. ML13191A928) contains material submitted in advance of the meeting by Union of Concerned Scientist.

The meeting began with the Division of Inspection and Regional Support (DIRS) summarizing the components of the ROP internal assessment, components of the ROP Enhancement Project, project goals for the baseline inspection program portion of the ROP Enhancement Project, and the meeting goals. Following the opening, the staff presented each question in the June 11, 2013, Federal Register Notice, for discussion. Below is a summary of the comments received in response to each of the questions.

### **Discussion Topic I**

*What issues/programs/components, if any, should be covered by the ROP baseline inspection program but are not?*

*What areas, if any, are covered by the ROP baseline inspection program but should not be?*

Industry presented four overriding themes: 1) reduce low value and unintended burden of inspections by looking at the right things at the right time by the right people, 2) make greater use of the resident inspector's onsite presence as they are the most familiar with the plant,

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3) increase transparency of Task Interface Agreements (TIA) and Inspection Procedure (IP) changes, and 4) establish ROP framework incentives (reward for good performance not just penalize for bad performance).

Industry elaborated on the use of resident inspectors. They stated that the resident inspector should have the flexibility to call in the experts. An example was the radiation protection (RP) inspections; industry felt much of that inspection could be performed by the resident inspectors. If a licensee has good performance in an area, that should limit or reduce the number of other inspectors at the site.

Industry asked why the number of NRC violations has increased over the past five years, while self-revealing findings have remained flat. Industry does not believe that performance has changed and has asked what has changed?

Union of Concerned Scientists (UCS) stated that the NRC is inadequately implementing lessons learned and that the inspections should focus on generic communications. The use of topical inspections could compare plants of similar design and what those plants have done in response to generic communications.

UCS also mentioned that establishing a zero sum gain for the inspection program will help to ensure the NRC does not delete the focus of what should be inspected.

UCS believes that Inspection Procedure 71152, Performance Identification and Resolution (PI&R) should be enhanced to provide a more effective safety culture review and cross cutting issues should be eliminated.

Industry also discussed safety culture and cross cutting issues and suggested that safety culture would be better served if the NRC reviewed the licensee's safety reviews or self-audits.

UCS and Industry both had views on Component Design Basis Inspections (CDBIs). UCS stated that the CDBIs are valuable and should not be eliminated; they have identified the "best catches" of any team inspection. Industry provided input on the burden of the inspection. Including specific comments on the duration and size of the bagman trips and sharing of documentation, stating that the process for obtaining documentation should be standardized and consideration should be given to using an electronic portal. Industry stated that the CDBI inspection is no longer getting the same returns, as many of the issues were identified in early CDBI inspections. Industry recommended a longer frequency between team inspections.

While the NRC's primary purpose during the meeting was to listen to input, the NRC did provide comments to some of the statements made by the external stakeholders. For this topic, NRC stated that during the Systematic Assessment of Licensee Performance (SALP), the predecessor to the ROP, the NRC did allow more flexibility in inspection resources and that was ultimately a criticism by industry at that time that resulted in the establishment of the current ROP baseline inspection program.

The NRC also commented on the statements made by industry regarding the CDBI. The NRC stated that the purpose of that inspection is not necessarily to identify findings, but to verify.

## **Discussion Topic II**

*How can the baseline inspection program be more efficient and effective?*

UCS had the following comments regarding this question:

The inspection period and the annual assessment cycle are out of phase.

There should be a formal assessment as part of each Augmented or Special Inspection (AIT and SIT) that provides input into the baseline inspection program to determine if changes to the inspection procedures are necessary.

The PI&R inspection procedure needs work to be more valuable. It is good in the rear view but is not effective at looking ahead.

If a licensee's self-revealing event response is good, the licensee should get credit. How a licensee responds to an event is insightful. Do they focus on fixing the problem or why the problem was not found? How do they assess the extent of condition?

The NRC needs to find out why inspections did not identify problems at Ft. Calhoun. Many of the issues existed since original constructions.

Industry had the following comments to this question:

There was a disconnect between the NRC's and industry's expectations on the Cyber Security Temporary Instruction, while the Fatigue Rule was an area where industry and NRC worked together. What can we learn from these two examples?

The NRC should consider billing by procedure so the licensee knows what they will be charged in advance.

Unresolved Issues (URIs) take too long to resolve. There needs to be more emphasis on closing.

There are regional disconnects. Examples include cask loading and Operations with a Potential for Draining the Reactor Vessel (OPDRV).

## **Discussion Topic III**

*What redundancies exist in the baseline inspection program? For example, do the current baseline inspection procedures have the correct breadth to ensure we are not inspecting the same things?*

Industry had the following comments regarding this question:

PI&R overlaps with other inspections. The guidance for this inspection procedure needs to be enhanced.

Allow a reduction in inspection in an area based on the resident inspector's assessment of the licensee's controls. Examples include radiation protection and security.

What self-assessments does the NRC do to look at team inspections?

UCS had the following comments in response to this question:

Does looking at every Corrective Action still have value?

#### **Discussion Topic IV**

*What ways are there to increase the NRC's focus on the most significant performance issues at a plant?*

*Are there areas of licensee plant operation and performance which warrant increased or new NRC focus?*

*Are there areas where the NRC's focus should be decreased?*

UCS had the following comments regarding this topic:

The NRC should consider topical inspections versus plant inspections. Look at the same issue at multiple plants across regions to help put the inspection into context and identify what was done as a result of a corporate action across several regions. This is an opportunity to look for corporate themes and potential common problem areas.

Industry had the following comments and questions regarding this topic:

Use your resident inspectors to inform team inspections and to guide the inspectors to look at the most significant areas.

How will the staff properly address Fukushima follow-up issues without distracting from other inspection areas?

The Emergency Response Organization qualification issues appear to be assessed at a higher risk than they should be.

For Fukushima response for extended loss of all AC power, the SDP should be similar to the b.5.b Significance Determination Process (SDP).

#### **Discussion Topic V**

*How can we improve the existing baseline inspection procedures to result in findings that have a clear tie to nuclear safety, are indicative of current performance, and provide the most insight?*

Industry had the following comments regarding this topic:

Some findings seem to have very little tie to nuclear safety.

Some regions issue procedure violations with little safety significance. There is still some subjectivity in the SDP. NRC needs to ensure consistency between the regions.

UCS had the following comments on this question:

It has been raised that the CDBI sample well is exhausted. Use feedback from AITs and SITs to better inform CDBI samples.

The NRC commented on a statement made by industry regarding the maturity of the industry. While the industry may be mature, the licensee's staff may be new and the level of knowledge transfer is sometime uncertain.

### **Discussion Topic VI**

*How can we more effectively incorporate feedback from analysis of inspection results?*

*How can we more effectively incorporate feedback from significant events?*

Industry had the following comments and questions regarding this topic:

The NRC should make Operating Experience (OpE) information more publicly available. What about the OpE gateway? Currently, OpE is unstructured and hard to predict. It is unclear what will result in a generic communication.

NRC should look at INPO's new OpE program.

NRC should prioritize OpE; not all OpE is equal; it changes with time. As an example does a smart sample trump a bulletin? What are our top five issues? INPO is good at letting Industry know the risk level or safety significance.

NRC should add structure, hierarchy, standardization, and timing (quarterly and monthly topics...) and should communicate if you learn something.

Some findings are very specific to a site and should not become OpE.

UCS had the following comments on this question:

Examine how a licensee handles OpE received from external sources. (e.g. IN 2013-09 cylinders containing compressed flammable gases).

Factor findings from SIT/AIT/IIT into IP 71152.

### **Discussion Topic VII**

*What changes, if any can be made to the existing baseline inspection program to ensure licensees:*

*Sufficiently evaluate age related degradation or failures of passive or active systems, structures, or components?*

*Maintain Aging Management Program effectiveness during the Period of Extended Operation?*

Industry provided the following comments on this topic:

The existing inspection procedures should be modified to require inspectors to look at aging management programs. Existing procedures should be updated as opposed to creating new procedures to maximize the efficiency and reduce the burden to the licensees.

Existing industry programs should be leveraged and credited for aging management reviews during inspections.

Current plant owners and operators perform self-assessments. Those self-assessments should be expanded to include passive/long-term equipment aging.

Operating experience for low level events (such as aging events) fall below the threshold for capturing and evaluating. The threshold criteria should be modified by the industry to tag aging events and ensure they are captured, evaluated and trended.

UCS commented that inspections should look at component failures related to aging. UCS agreed with industry that no new inspection procedures should be developed but that guidance should be added into existing inspection procedures.

### **Discussion Topic VIII**

*What changes, if any should be made to the baseline inspection program to ensure it is adequate for the current environment (e.g. external event uncertainties, plants entering extended operation, effects of power uprates, new corporate/financial structures, etc.)?*

Industry provided the following comments on this topic:

Corporate and financial issues are outside the scope of the ROP.

They stated that NRC should use OpE to inform the significance of ROP findings, and perhaps the nature and frequency of inspections.

UCS proposed increasing flexibility to allow differing inspections (type and quantity) at different sites. UCS also recommended that when evaluating events or findings at a facility we should consider the possibility that they may be related to, for example, a recent power uprate. They

believe that this may elevate a finding that could otherwise be disposed of due to very low significance.

### **Discussion Topic IX**

*What changes, if any should be made to the frequency of team inspections?*

This question was addressed during discussion of the inspection areas.

### **Inspection Area: Engineering**

Industry had the following comments regarding this inspection area:

Heat sink inspections are low value added and the NRC should consider results from previous inspections. If there have been no findings in multiple inspections and the licensee has a good self-assessment, the next inspection should be delayed.

The plant modification inspection has outlived its usefulness.

The flooding inspection procedure will be addressed during the Fukushima review.

Industry's senior management would like a better explanation on the focus of the team inspection when the inspectors come on site. What is going on during the preparation for the inspection?

There should only be one large inspection at a site per year.

Intervals for inspections should be changed based on RI observation. Where can performance based aspects be addressed?

UCS disagreed with industry's comment on the heat sink inspection and stated the public wants to hear from the NRC.

### **Inspection Area: PI&R**

UCS asked the following question regarding this inspection area: Why are there findings on issues that have existed for years? UCS had provided comments regarding this inspection area earlier in the meeting.

Industry had the following questions and comments regarding this inspection area:

They asked, what is the correct frequency and depth for review for this area? They stated that a deficient program should be treated differently from deficient implementation of a program. One bad root cause doesn't mean the entire program is broken.

Industry stated that there is limited credibility when an inspector looks at a 200 page report and simply states "that it is wrong."

The NRC should perform case studies on plants in Column 4.

Industry appreciates the observations that are provided during team inspection exits.

### **Inspection Area: Safeguards**

Industry had the following comments in the safeguards inspection area:

There are issues associated with cyber security inspections. Specifically, there is too much engineering judgment in Milestone 8 and Milestone 8 will be conducted prior to guidance issuance (NUREG).

There is too much overlap in IPs 71130.03, 71130.05, and 71130.09.

The NRC should provide advance notice on items/areas/materials to be observed during Material Control and Accounting inspections.

The security SDP is disproportionate compared to risk, the significance is not equal as it relates to risk.

The approach NRC has taken in conducting the Pilot 71130.09 inspections was good.

The development of the Cyber Security Directorate will better align and focus cyber security efforts.

Union of Concerned Scientist would like to see more transparency for escalated security findings in the Action Matrix.

### **Inspection Area: Other**

Industry reiterated some of the comments they made earlier. They stated that regulation by inspection has a cumulative impact and needs to be managed.

Industry stated that the NRC needs a better process for issues that have generic implications. These issues should be resolved at a higher level instead of being dispositioned site by site. Examples mentioned include operations with the potential for draining the reactor vessel, seismic stack-up cask transfers, and radiation monitors inside containment.

The industry expressed concerns about the acceptability of issues that were looked at 2 years ago which are not acceptable now. Examples mentioned included offsite power back-feed and General Design Criteria (GDC) 17. Additionally, extra steps by one licensee now become the standard, for all, for example new start-up transformers.



The NRC should improve the transparency of the TIA process and incorporate the licensee's perspective.

The input from external stakeholders will be considered during the NRC's analysis phase of the ROP Enhancement Project. Additional meetings will be held if necessary with a final meeting planned for the staff to report out the results of their analysis on the review of the baseline inspection program.

Enclosures:

1. Attendance List – July 17, 2013
2. NRC Slides discussed during the July 17, 2013 public meeting
3. UCS Material submitted in advance of the July 17, 2013 public meeting

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**EFFECTIVENESS OF REACTOR OVERSIGHT PROCESS BASELINE INSPECTION  
PUBLIC MEETING  
ATTENDANCE LIST  
July 17, 2013**

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Ho Nieh	NRC
Pat Louden	NRC
AnnMarie Stone	NRC
Heather Jones	NRC
F Scot Sullivan	NRC
Neil OKeefe	NRC
Reinaldo Rodriquez	NRC
Rebecca Sigmon	NRC
Vic Cusumano	NRC
Ray Powell	NRC
Robert Kahler	NRC
Ron Albert	NRC
Gabe Levasseur	NRC
Aron Lewin	NRC
Michael Balazik	NRC
Ronald Frahm	NRC
Kevin Roche	NRC
Mark King	NRC
Mike Scott	NRC
Steve Garry	NRC
Chris Cauffman	NRC
Eric Schrader	NRC
Alan Howe	NRC
Allyce Bolger	NRC
Dave Lochbaum	UCS
Greg Halnon	First Energy
Christine Neely	PSEG
Chris Earls	NEI
Mark Reidmeyer	Certrec
Jason Remer	NEI
Larry Parker	STARS Alliance
David Mannai	Entergy
Don Beckman	BAA Inc
Deann Raleigh	Scientech
Jana Bergman*	Scientech
Tracy Honeycutt*	SNC
Lisa Clark	NRC Facilitator

\*participated via teleconference and/or online meeting