POLICY ISSUE
(INFORMATION)

September 24, 2015 SECY-15-0120

FOR: The Commissioners

FROM: K. Steven West, Chairman
Lessons-Learned Oversight Board

SUBJECT: ANNUAL REPORT ON THE LESSONS-LEARNED PROGRAM

PURPOSE:

This paper provides the Commission with the annual report of the Lessons-Learned Program. The report covers the period from August 1, 2014, through July 31, 2015. This paper does not contain any new commitments.

BACKGROUND:

At the December 8, 2004 Commission meeting on the Davis-Besse Lessons-Learned Task Force Recommendations, the staff proposed the establishment of the Lessons-Learned Program (LLP). In a Staff Requirements Memorandum (SRM) dated December 15, 2004 (Agency Documents Access and Management System (ADAMS) Accession No. ML043500639), the Commission approved the proposal and directed the staff to keep it apprised of the LLP's status. Beginning in February 2007, the staff provided semiannual status reports to the Commission. On August 15, 2007, in its SRM (Accession No. ML072270124) to SECY-07-0121, "Semiannual Update of the Lessons-Learned Program and Annual Lessons-Learned Program Review," dated July 25, 2007 (Accession No. ML071780197), the Commission approved the staff's recommendation to provide annual LLP reports.

Management Directive (MD) 6.8, "Lessons-Learned Program," describes and sets out the processes, procedures, and oversight designed to achieve the LLP's goals of ensuring that significant agency deficiencies are identified and corrected in such a way that they do not recur. The LLP ensures that existing agency processes are effective by reviewing both internal and external lessons-learned documents for potential agency applicability.

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The staff accomplishes the LLP goals by applying a rigorous process to identify significant lessons learned, developing detailed corrective action plans, subjecting those plans to formal review and approval, and ensuring that the plans have been effective and did not result in any unintended consequences. Each corrective action plan includes an explanation of what actions will be taken to institutionalize the knowledge gained through the identification of a lesson learned to help prevent recurrence of the deficiency resolved by the corrective actions.

In accordance with MD 6.8, the Executive Director for Operations designates the Lessons-Learned Oversight Board (LLOB) to provide an independent review and approval of proposed corrective action plans and their eventual closeout. The LLOB comprises senior managers nominated by Office Directors and Regional Administrators to provide oversight to the LLP. Currently, the Deputy Director of the Office of Nuclear Regulatory Research (RES) chairs the LLOB, and RES provides the Lessons Learned Program Manager (LLPM) who supports implementation of the LLP and provides technical and administrative support to the LLOB.

DISCUSSION:

Lessons-Learned Criteria

Deficiencies entered into the LLP are expected to require significant resources to correct. In addition, the agency has other corrective action processes that function at the office level and below. Therefore, the agency has established a high threshold for entering deficiencies into the LLP. This threshold consists of four criteria, which are specified in MD 6.8, to ensure that only the most important issues will be considered, maximizing the impact of agency resources and focusing senior management on the most important lessons learned. A deficiency or issue must meet all four of the following criteria before it can be designated as a lessons-learned item under the LLP:

1. The item has significant organizational, safety, security, emergency preparedness, or generic implications;

2. A need exists to institutionalize corrective action for this item because the failure to do so would reasonably be expected to challenge the ability of the agency to meet any of the strategic outcomes designated in the Strategic Plan, or the corrective action would substantially improve the safety or security of NRC employees;

3. A root cause exists or can be identified;

4. The apparent resolution is actionable.

Because of the high profile associated with items that meet these criteria, the Commission or senior management will most likely have approved the corrective action plans before the LLOB review. However, the LLP process reduces the likelihood that important items will be missed and ensures that any items that pass the screening criteria will receive the appropriate attention of senior management throughout the implementation and closeout of the corrective action plan and any subsequent effectiveness review.

Review of Potential Lessons-Learned Items

Between June 2014 and July 2015, the LLPM screened a total of 883 items for potential deficiencies and issues for the consideration of the LLOB under the LLP. Of the 883 items screened, 520 were from General Accounting Office (GAO) reports, 23 were from Office of the Inspector General (OIG) reports, 113 were from Department of Energy (DOE) documents, and 227 were found in ADAMS. The LLPM referred 263 of the 883 items to the LLOB for information and consideration. These 263 items consisted of 12 items from GAO, 23 items from OIG, one item from DOE, and 227 items from ADAMS. Of these 263 potential lessons-learned items, the LLPM recommended to the LLOB Chairman that five items be discussed and reviewed in detail by the LLOB. After reviewing the LLPM's recommendations, the LLOB Chairman added two additional items (from ADAMS) and an LLOB member added one additional item (from ADAMS) for LLOB detailed review.

During its annual meeting on August 25, 2015, the LLOB reviewed and discussed the eight potential lessons-learned items mentioned above. After the annual meeting, the LLOB Chairman referred an additional lessons-learned item (a DOE report) to the LLOB members for review. On the basis of its review of the nine potential lessons learned items, the LLOB concluded that the items did not meet the MD 6.8 criteria for designation as a lessons-learned item under the LLP. The nine potential lessons-learned items reviewed by the LLOB are listed in the enclosure. The results of the LLOB reviews and discussions are summarized below. This discussion highlights those items that are noteworthy.

Of the nine items reviewed by the LLOB, one pertained to the staff action encouraging licensees to perform self-assessments in response to the 2007 GAO covert operation wherein GAO posed as a legitimate company and applied for and received an NRC materials license using falsified information. As a result of its review, the LLOB is considering whether or not the Office of Nuclear Materials Safety and Safeguards (NMSS) should perform an effectiveness review of the actions taken to address the GAO findings. As a result of the GAO sting operation, the agency established agency-wide self-assessments and audits for the materials licensing and inspection programs. The LLOB concluded that it needed additional information from NMSS about the corrective actions and experience since the actions had been implemented. NMSS, through its LLOB member, agreed to provide the requested information to the LLOB at a future meeting. On the basis of its review of another GAO report, titled, "Insider Threat: DOD Should Improve Information Sharing and Oversight to Protect U.S. Installations," the LLOB concluded that while it did not meet the MD 6.8 criteria for designation as a lessons-learned item, it should be provided to the relevant NRC offices for review and appropriate action. The LLOB also reviewed an NRC report associated with lessons-learned from the San Onofre steam generator tube degradation, an NRC report issued by the Operator Licensing Lessons Learned Review Team, and an NRC report that evaluated the effectiveness of agency oversight activities associated with the Fort Calhoun flooding. In all three cases, the LLOB concluded that the underlying issues and any lessons-learned had been or were being addressed by the appropriate NRC offices, and no further LLOB action was required at the time. Finally, on the basis of its review and discussion of a lessons learned report from DOE titled, "Processor Overload Leads to Reactor SCRAM," (INL-2015-1348), the LLOB agreed that the lessons learned did not meet the MD 6.8 criteria as a lessons-learned item under the LPP and decided to forward the report to the relevant offices for review and appropriate action.

Other Lessons-Learned Oversight Board Activities

During its meeting of August 25, 2015, the LLOB also discussed a letter of May 27, 2015 (Accession No. ML15257A284) from the Union of Concerned Scientists (UCS) to the Office of the Executive Director for Operations. In its letter, UCS commented on the LLP and recommended several changes to the LPP. On the basis of its review of the recommendations, the LLOB will make clarifying changes to MD 6.8. As an example, specifying that the LLP can consider certain UCS reports, Congressional Research Service reports, and reports from relevant nonprofit organizations as sources of potential lessons-learned items. The LLOB will also clarify that its reviews consider successes as well as failures. These clarifications do not present any policy changes.

With regard to LLP administrative activities, the LLPM, on behalf of the LLOB, is working with the Office of Administration to finalize and publish a revision to MD 6.8. The timing of the publication of the final MD will be contingent on making the clarifying changes discussed above and confirming full functionality of the new Agency Lessons-Learned Tracking System (ALLTS) as discussed below.

The LLP's knowledge management system—known as SharePoint Executive Lessons-Learned System (SPELLS)—was a Web-based interface used for tracking, searching, archiving, and documenting LPP information and activities. This system was retired in August 2013 and replaced with the Agency Lessons Learned Tracking System (ALLTS). ALLTS is an ADAMS management tool that streamlines the LLP process by eliminating additional data entry on the part of the NRC user and creating a lessons-learned knowledge management area within ADAMS. In its continuing development, additional modifications to ALLTS to facilitate automated query of ADAMS for potential LL items were finalized during August 2015. The release of ALLTS for agency use is planned for the first quarter of FY 2016. The LLPM, with support from the LLOB and the Office of Information Services (OIS), is developing the necessary training for the staff to use the system. This training will be made available coincident with the announcement of the availability of the system. The LLPM and OIS are considering appropriate communication tools to inform the staff of the availability of ALLTS.

Finally, during the reporting period, the Office of Enforcement (OE) gave the LLOB an update to an item that was first mentioned in the 2011 LLP annual report. The item addressed OE's ongoing monitoring of the status of the safety culture case study on the "Report to the President from the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling." OE informed the LLPM that it has not yet released the case study because of the ongoing litigation related to the accident. The LLPM will continue to monitor the status of OE's review and will advise the LLOB once the report becomes available for review.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection. The Office of the Chief Financial Officer has reviewed this paper for financial implications and has concurred without comment.

/RA/
K. Steven West, Chairman
Lessons Learned Oversight Board

Enclosure:
As stated

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Original signed by:
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Enclosure:
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