

March 2, 2016

Mr. David R. Kline, Director, Security
Nuclear Energy Institute
1201 F Street, NW, Suite 1100
Washington, DC 20004

SUBJECT: REQUEST FOR REVIEW AND COMMENT ON THE "NEI FORCE-ON-FORCE
PERFORMANCE METRIC GUIDANCE WHITE PAPER"

Dear Mr. Kline:

By letter dated February 24, 2015, you requested that the U.S. Nuclear Regulatory Commission (NRC) staff review and comment on the Nuclear Energy Institute (NEI) White Paper regarding the potential use of "performance metrics" by power reactor licensees to inform NRC's triennial force-on-force (FOF) inspection program. As you are aware, over the course of the past year, the NRC staff has undertaken several modifications to the FOF inspection program and is conducting an ongoing evaluation of this program, as directed by the Commission. Consequently, until now we have been unable to respond to your request due to these competing priorities.

We understand that the general purpose of your White Paper was to inform the NRC that NEI is planning to conduct a phased pilot program with some licensees, using the "performance metrics" outside of the NEI 99-02, "Regulatory Assessment Performance Indicator Guidelines," which encompasses the reactor oversight process (ROP). It is our understanding from the White Paper and from subsequent conversations with you and others at NEI that these "performance metrics" would not be viewed as performance indicators, as included in the ROP. As described in the White Paper, these "performance metrics" would serve a similar purpose to ROP performance indicators to identify and potentially adjust the level of inspection oversight that a licensee may receive, based on its individual achievement of the "performance metrics." The White Paper goes on to indicate that the records of a licensee's achievement of the "performance metrics" would be available for the NRC to inspect during its baseline security inspection programs and could serve as the basis for increasing or decreasing inspection oversight.

We greatly appreciate the thoughtfulness and effort that NEI has put forward in this White Paper. Many of the proposed "performance metrics" appear to focus on equipment functionality and reliability, which mimic similar equipment aspects that are embraced in the ROP Safety Performance Indicators. The White Paper also describes "performance metrics" for a licensee's annual security drills and the security training and qualifications programs. Many of those "performance metrics" are already covered by the security requirements described in Title 10 of the *Code of Federal Regulations* Part 73 and the accompanying NRC Inspection Manual Chapter and Inspection Procedures.

The concepts and items you brought forward in the White Paper have provided significant “food for thought” on the staff’s part and have been brought into the ongoing evaluation process that the Commission directed in the Staff Requirements Memorandum for SECY-14-0088. We currently plan to discuss aspects of NEI’s proposal, along with the staff’s ongoing evaluation in a notation vote paper that is scheduled to be provided to the Commission in June 2016. As for conducting a phased pilot of these “performance metrics,” we see no downside for NEI and the industry to proceed with this pilot, as with any other industry-led initiative that could potentially enhance compliance with NRC security regulations; however, it may be prudent to be informed by the staff’s June Commission Paper.

I am open to continuing discussions and dialogue on NEI’s concepts of “performance metrics” and the potential to craft certain ROP security performance indicators that would serve to adjust NRC inspection activities within the ROP. I view potential security performance indicators as supportive of a performance-based approach, in much the same way as emergency preparedness performance indicators. I am looking forward to continuing our discussions on future adjustments to the FOF inspection program.

Sincerely,

/RA/

Michael C. Layton, Director
Division of Security Operations
Office of Nuclear Security and
Incident Response

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Michael C. Layton, Director
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