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Subject: SDP streamlining
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Attachments: [image001.png](#)

Joe ... nice to see you here at OWFN yesterday. Good discussion I thought.

A couple of extra thoughts on our SDP streamlining activities; share as you wish. We are well aware that industry has concerns about this Commission-directed activity. We have been and will continue to reinforce these and other messages with NRC leadership, NEI, and other interested stakeholders. There is also a session at the RIC dedicated to this topic, and I hope that it will be well attended!

- We're establishing an internal Inspection Finding Review Board – focused effort to ensure potential/actual licensee performance deficiencies are ACTIVELY MANAGED by the eventual NRC decision-makers, in part to ensure that they have a full understanding of the issues, assumptions made, known and unknown uncertainties, etc.
- We're creating better SDP metrics – improve internal focus and accountability to process adherence (for performance deficiency development and SDP processing)
- We're working hard to find the balance between “getting it right” and the time/resources required to yield a predictable, repeatable, clear and independent regulatory decision. Think Project Aim.
- We're exploring the efficacy of removing “greater than green” issues from the action matrix once the licensee's corrective actions are complete and verified (i.e., less than four quarters). Commission decision needed for this.
- We believe concerns about the “expanded use of Appendix M” are largely overstated, likely because of a lack of full understanding of our intent (admittedly we may not be doing a good job of explaining!). Also, the changes we're currently contemplating would not require a Commission policy decision, because what we're proposing (admittedly not fully-baked) are consistent with the integrated risk-informed approach already inherent in the ROP.
 - To reiterate, right now there are two scenarios for which a modified “Appendix M” approach would be considered:
 1. PRA modeling uncertainties and disagreements on PRA input assumptions create huge disparities in outcomes (a relatively “flat” distribution for delta CDF).
 2. NRC staff analyses yield a "low white" and the licensee analyses yield a "high green." Mathematically, given the inherent modeling uncertainties, these two outcomes are effectively the same
 - Neither of the above two scenarios are uncommon and unfortunately lead to an excessive use of NRC resources (billed to licensee!) and significant delays in NRC reaching a final decision.
 - This approach would really only apply to the IE, MS and BI cornerstones since those are the only ones for which PRA is really used.
 - Remember that SDP ≠ PRA

Finally, at our public meeting last month, we received a particularly thoughtful and

constructive comment, specifically: "Why is the SDP different from other regulatory processes such as licensing? That is, why does the NRC need to perform an assessment versus review and judge a licensee's own conclusions? Interesting thought!

Best Regards,

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