



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

**PLEASE RESPOND BY:  
November 02, 2016**

October 17, 2016

COMSECY-16-0022

MEMORANDUM TO: Chairman Burns  
Commissioner Svinicki  
Commissioner Baran

FROM: Victor M. McCree */RA/*  
Executive Director for Operations

SUBJECT: PROPOSED CRITERIA FOR REACTOR OVERSIGHT PROCESS  
CHANGES REQUIRING COMMISSION APPROVAL AND  
NOTIFICATION

The purpose of this memorandum is to request Commission approval of proposed criteria to define when proposed Reactor Oversight Process (ROP) changes need Commission approval, as directed in Staff Requirements Memorandum (SRM)-M160602B, "Briefing on Results of the Agency Action Review Meeting (AARM)," dated June 24, 2016 (Agency Documents Access and Management System (ADAMS) Accession No. ML16176A078).

In SRM-M040504B, "Briefing on Results of the Agency Action Review Meeting (AARM)," dated May 27, 2004 (ADAMS Accession No. ML041480131), the Commission directed that the staff should provide any substantive changes to the ROP to the Commission for approval prior to incorporation into the ROP. To date, the U.S. Nuclear Regulatory Commission (NRC) staff has not formally defined the criteria for changes that are considered "substantive" for the purpose of seeking prior Commission approval.

A memorandum from the Director of the Office of Nuclear Reactor Regulation responding to a differing professional opinion (DPO) (publicly available in the DPO case file at ADAMS Accession No. ML15194A444) directed the staff to develop a set of guidelines for when changes to the ROP would be considered substantive. In response to this direction as well as Commission direction in SRM-M160602B, the staff has drafted proposed criteria for ROP changes requiring Commission approval and notification.

The following list is intended to provide guidance to the staff for determining if Commission approval is needed when making changes to the ROP.

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The staff should present the following ROP changes to the Commission for approval prior to implementation.

1. Changes to fundamental elements of the ROP framework (e.g., cornerstones, cross-cutting areas, assessment inputs);
2. adding or deleting oversight processes in their entirety (e.g., cross-cutting issues (CCI) process, supplemental inspections);
3. changes to ROP thresholds (e.g., significance determination process (SDP) thresholds, performance indicator (PI) thresholds);
4. changes to the number of inputs needed to make column changes in the Action Matrix;
5. adding or deleting PIs;
6. specific ROP-related safety culture activities beyond communication and education; and
7. items specifically identified by the Commission.

The staff should notify the Commission of the following ROP changes prior to implementation using an appropriate method based on the urgency and complexity of the change, such as an informational Commission paper, a Note to Commissioners' Assistants, or a briefing of Commission staff.

1. Significant changes<sup>1</sup> to the implementation of existing ROP programs (e.g., baseline and supplemental inspection procedures, implementation of the CCI process, implementation of SDPs, implementation of the assessment program);
2. changes to definitions affecting the Action Matrix other than threshold changes;
3. adding or deleting baseline inspections; and
4. pilot program plans and results that involve licensee participation.

Staff may notify the Commission of other ROP changes of lesser significance (e.g., more routine changes to baseline inspection procedures) after implementation using an appropriate method, such as the annual ROP self-assessment Commission paper. The staff will continue to employ proactive communications if the issue is time-sensitive or likely to garner significant stakeholder interest.

In the past, the staff typically considered the first three bullets in the first list (changes to fundamental elements of the ROP framework, adding or deleting oversight processes in their entirety, and changes to ROP thresholds) to be policy issues for which Commission approval was required. For instance, last year the staff submitted SECY-15-0108, "Recommendation to Revise the Definition of Degraded Cornerstone as Used in the Reactor Oversight Process," dated August 28, 2015 (ADAMS Accession No. ML15076A066), requesting Commission approval to revise the definition of a degraded cornerstone. The revision resulted in a change in the definition of a degraded cornerstone and therefore changed the threshold for Column 3 of the Action Matrix. Because this was a change to an ROP threshold, Commission approval was requested.

The reference to SDP thresholds is also consistent with previous Commission interactions. For example, in SRM-COMSECY-06-0023, "Significance Determination Process Related to

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<sup>1</sup> For the purpose of this criterion, changes involving notable differences in the level of industry or NRC effort, garnering extensive stakeholder feedback, or impacting the publicly available outputs of the ROP should be considered "significant changes."

Radioactive Liquid Effluent Releases,” dated May 18, 2006 (ADAMS Accession No. ML061380645), the Commission directed the staff to make a recommendation to the Commission to either maintain the current Public Radiation Safety SDP, or to change it with appropriate justification. The staff submitted its recommendations to the Commission in SECY-07-0112, “Staff Evaluation and Proposed Revision to the Public Radiation Safety Significance Determination Process to Address Radioactive Liquid Spills and Leaks,” dated July 6, 2007 (ADAMS Accession No. ML070790598). The Commission subsequently approved the staff’s recommendation.

As an example of an “item specifically identified by the Commission” is the safety culture item that is listed separately. In SRM-SECY-11-0005, “Proposed Final Safety Culture Policy Statement,” dated March 7, 2011 (ADAMS Accession No. ML110660547), the Commission stated that since the safety culture policy statement is not a regulation or a requirement, staff activities beyond communication and education should not be pursued without further specific Commission approval. Therefore, the staff explicitly included “safety culture activities beyond communication and education” as one of the list of items requiring Commission approval.

Based on Commission direction in SRM-M160602B stating that “[p]roposed significant changes or pilot programs related to the [ROP] and the [SDP] should be provided to the Commission,” the staff included significant changes and pilot programs in the category of items that are provided to the Commission for information. For the purposes of the ROP, the staff views a “pilot” as an activity used to test a change to the ROP on some subset of all licensees, replacing (rather than operating in parallel with) existing program requirements, to evaluate its efficacy and gain any lessons learned before consideration of full implementation. As such, the process being piloted provides *actual results* for the licensees affected. For example, the current initiative to revise the Component Design Basis Inspection was piloted at several sites and lessons learned are being incorporated into the process for full implementation at all sites. An activity that affects only internal NRC processes, a parallel testing of a process that may involve external stakeholder interaction (e.g., “tabletops”), or an activity that looks back at historical or hypothetical situations and evaluates them in an ROP process would not be considered a “pilot” for purposes of these criteria.

The NRC staff recommends that the Commission approve the above criteria for ROP changes requiring Commission approval and notification. If approved, the staff will incorporate the criteria into Management Directive 8.13, “Reactor Oversight Process.”

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**DISTRIBUTION: SRM-M160602B**

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**ADAMS Accession No.: ML16223A728**

**\*concurring via email**

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Memo to The Commissioners from V. McCree dated October 17, 2016

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