



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

September 7, 2016

MEMORANDUM TO: Steven E. Zane, Acting  
Assistant Inspector General for Audits  
Office of the Inspector General

FROM: Michael R. Johnson */RA/*  
Deputy Executive Director for Reactor  
and Preparedness Programs  
Office of the Executive Director for Operations

SUBJECT: FORMAL COMMENTS ON THE OFFICE OF THE INSPECTOR  
GENERAL DRAFT REPORT ON THE U.S. NUCLEAR  
REGULATORY COMMISSION'S SIGNIFICANCE DETERMINATION  
PROCESS FOR REACTOR SAFETY

This memorandum responds to the August 31, 2016, e-mail from Mr. Levar Cole, Office of the Inspector General (OIG), transmitting the OIG's final draft report, "Audit of NRC's [U.S. Nuclear Regulatory Commission] Significance Determination Process for Reactor Safety." OIG revised the report following receipt of the agency's informal written comments of August 26, 2016, and verbal comments provided during the August 29, 2016, exit conference.

The NRC staff has reviewed the report and found no sensitive, proprietary, personally identifiable, classified, or other information that would necessitate redaction before issuing the report as publically available.

The NRC staff appreciates the independent audit function performed by the OIG, as well as the way this audit of the Significance Determination Process (SDP) for Reactor Safety was conducted and the responsiveness to concerns voiced during the exit conference. The staff understands the revised draft report and recommendations.

The following specific comments are relevant to how portions of the audit report could be interpreted by those who did not have the benefit of the discussions that occurred during the audit and at the exit conference. The NRC staff is concerned that the discussion in the report is not clear regarding NRC actions taken to date, what is already known and understood about SDP resource use and timeliness, and planned NRC actions.

CONTACT: Russell A. Gibbs, NRR/DIRS  
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Specifically, the staff requests that the following points be considered:

- In section entitled “Background,” page 3, first paragraph, the OIG report states:

“NRC staff and managers are also responsible for reviewing SDP results for timeliness and accuracy.”

The NRC staff would like to provide clarification on this sentence. The staff suggests a more appropriate characterization would be that SDP results are viewed for efficiency and effectiveness.

- In section entitled, “Background, “ page 3, second paragraph, the OIG report states:

“Recently, NRC took steps to improve the SDP through a business process improvement initiative with the goals of reviewing SDP resource and timeliness data, evaluating SDP practices and guidance, and identifying opportunities for improvement. NRC has also proposed SDP changes associated with milestones and resource allocation.”

The NRC staff would like to provide clarification on this paragraph. The staff suggests the following language indicated by the bold and strikeout:

Recently, NRC took steps to improve the SDP through a business process improvement initiative **and, as directed by the Commission in Staff Requirements COMSECY-14-0030**, with the goals of reviewing SDP resource and timeliness data, evaluating SDP practices and guidance, and identifying opportunities for improvement. NRC has also proposed SDP changes associated with **improving management oversight and project planning for greater than Green inspection findings** ~~milestones and resource allocation~~.

- In section entitled, “SDP Resource Use and Expectations for Time Spent on the SDP Is Unknown,” page 4, first paragraph, item 2, the OIG report states:

“...(2) may undertake unnecessary changes to improve timeliness,...”

The NRC staff would like to provide the following comment:

The staff has reviewed previous experiences sufficiently enough to determine that the length of time and degree of resources expended to complete SDP evaluations are excessive. The staff does not agree that it lacks sufficient data and may undertake unnecessary changes to the SDP to improve timeliness.

- In section entitled, “Resource Use and Expectations Should Be Known,” page 4, first paragraph, the OIG report states:

“NRC should know the resources allocated and used for different SDP steps and establish clear and consistent expectations for how long each step should take.

Further, staff and managers responsible for performing SDP steps should know how much time they should spend to complete their work.”

The NRC staff would like to provide the following comment:

The staff considers this level of prescription for knowing resource expenditures is unnecessary. Given the unique nature of each individual issue, the staff believes that establishing general guidelines and milestones in the inspection and assessment processes is more appropriate.

- In section entitled, “Recommendation,” Page 8, first paragraph, the OIG report states:

“Assess SDP workflow, and establish, communicate, and document clear and consistent expectations for staff and managers to complete their role in the SDP.”

The NRC staff would like to provide the following comment:

The staff agrees with Recommendation 1. However, the audit report details would indicate that in order to assess the SDP workflow and establish, communicate, and document clear and consistent expectations, the amount of time and resources expended for each step identified in Figure 1 of the audit report would need to be assessed. The staff plans to evaluate the SDP workflow effectiveness, but not assess the time and resources needed to implement each step of the process.

- In section entitled, “Unable To Verify Independent Audits,” page 12, first paragraph, the OIG report states:

“...because NRC does not have controls in place to ensure the audits are performed and documented.”

The NRC staff would like to provide the following comment:

The staff does not agree that the NRC does not have (*any*) controls in place to ensure audits are performed and documented. The staff has historically and successfully performed the required audits, consistent with IMC 307, “Reactor Oversight Process Self-Assessment Metrics,” Appendix A and documented in the required by the annual Reactor Oversight Process (ROP) self-assessment and documented in the associated Commission paper. The staff does agree that

more comprehensive documentation of the conduct of these audits is appropriate.

- In section entitled, “No Controls For Independent Audit Performance and Documentation,” page 13, first paragraph, the OIG report states:

“NRC does not have controls in place to ensure audits of greater than Green inspection findings are performed and documented.”

The NRC staff would like to provide the following comment:

The staff does not agree that the NRC does not have (*any*) controls in place to ensure audits are performed and documented. The staff has historically and successfully performed the required audits, consistent with IMC 307, “Reactor Oversight Process Self-Assessment Metrics,” Appendix A and documented in the required by the annual ROP self-assessment and documented in the associated Commission paper. The staff does agree that more comprehensive documentation of these audits is appropriate.

- In section entitled, “Consolidated List of Recommendations,” page 15, item 1, the OIG report states:

“Assess SDP workflow, and establish, communicate, and document clear and consistent expectations for staff and managers to complete their role in the SDP.”

The NRC staff would like to provide the following comment:

The staff agrees with this recommendation. However, the audit report details would indicate that in order to assess the SDP workflow and establish, communicate, and document clear and consistent expectations, the amount of time and resources expended for each step identified in Figure 1 of the audit report would need to be assessed. The staff plans to evaluate the SDP workflow effectiveness, but not assess the time and resources needed to implement each step of the process.

The NRC staff appreciates your willingness to consider these comments as you finalize your report. If you need additional information, please contact Russell Gibbs of my staff at 301-415-8578.

cc: Chairman Burns  
Commissioner Svinicki  
Commissioner Baran  
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