

# **NRC INSPECTION MANUAL**

CIPB

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INSPECTION MANUAL CHAPTER 2505

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PERIODIC ASSESSMENT OF  
CONSTRUCTION INSPECTION PROGRAM RESULTS

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## 2505-01 PURPOSE

01.01 The Construction Reactor Oversight Process (cROP) integrates the U.S. Nuclear Regulatory Commission's (NRC's) inspection, assessment, and enforcement programs applicable to reactors under construction. The Reactor Construction Assessment Program evaluates the overall performance of licensees for commercial nuclear reactors that are under construction and communicates this information to licensee management, members of the public, and other stakeholders.

01.02 The Reactor Construction Assessment Program collects information from inspections to enable the NRC to develop objective conclusions about a licensee's safety performance. Based on this assessment information, the NRC determines the appropriate level of its response, such as performing supplemental inspections, conducting meetings with NRC and licensee management, or other responses as described in the Construction Action Matrix (CAM). The assessment information and NRC response are then communicated to the public, except for certain security-related information associated with the security programs for construction inspection and operations (security cornerstone) that the Commission has determined to withhold from public disclosure. The NRC conducts follow-up actions, as applicable, to ensure that the corrective actions designed to address performance issues were effective.

## 2505-02 OBJECTIVES

02.01 To arrive at an objective assessment of a licensee's effectiveness in assuring construction quality through the evaluation of the inspection history of selected construction activities, other inspection activities (e.g., IP 35007, "Quality Assurance Program Implementation During Construction and Pre-Construction Activities"), enforcement history, allegations, and safety culture.

02.02 To provide guidance for making timely and predictable decisions regarding appropriate agency actions used to oversee, inspect, and assess licensee performance.

02.03 To provide a method for informing licensees and the public on the results of NRC's assessment of licensee performance.

## 2505-03 APPLICABILITY

This inspection manual chapter (IMC) applies to all new reactor facilities under construction. The contents of this IMC do not restrict the NRC from taking any necessary actions to fulfill its responsibilities under the Atomic Energy Act of 1954, as amended. A power reactor is no longer subject to this manual chapter after a licensee receives a positive finding pursuant to 10 CFR 52.103(g).

## 2505-04 DEFINITIONS

Applicable definitions are found in Inspection Manual Chapter 2506, "Construction Reactor Oversight Process General Guidance and Basis Document."

## 2505-05 RESPONSIBILITIES AND AUTHORITIES

### 05.01 Executive Director for Operations (EDO).

- a. Oversees the activities described in this IMC.
- b. Approves all deviations from the CAM.
- c. Informs the Commission of all approved deviations from the CAM.

### 05.02 Director, Office of New Reactors (NRO).

- a. Provides overall program direction for the **Reactor Construction Assessment Program**.
- b. Assesses the effectiveness, uniformity, and completeness of implementation of the **reactor** construction assessment program.
- c. Ensures that the public is informed of the results of the **Reactor** Construction Assessment Program, as appropriate.

### 05.03 Deputy Regional Administrator for Construction (DRAC).

- a. Provides program direction for management and implementation of the **reactor** construction assessments conducted by Region II.
- b. Ensures that the Region II staff includes adequate numbers of inspectors in the various disciplines necessary to carry out the **Reactor Construction Assessment Program** as described in this IMC.
- c. Ensures that licensees and the public are informed of the results of the **Reactor** Construction Assessment Program as appropriate.
- d. **Chairs the end-of-cycle meetings.**

### 05.04 Director, Office of Public Affairs.

- a. Issues press releases following the completion of the end-of-cycle reviews.

05.05 Director, Division of Construction Inspection and Operational Programs (DCIP), NRO.

- a. Develops Reactor Construction Assessment Program guidance.
- b. Collects feedback from Region II and assesses execution of the Reactor Construction Assessment Program to ensure consistent application.
- c. Recommends, develops, and implements improvements to the Reactor Construction Assessment Program.
- d. Concurs on proposals by Region II to extend a greater-than-green finding beyond that allowed by subsection 06.04 of this IMC.
- e. Concurs on the increased targeted inspection plan for plants in the Degraded Cornerstone, Multiple/Repetitive Degraded Cornerstone, and Unacceptable Performance columns of the CAM.

05.06 Director, Division of Construction Oversight (DCO).

- a. Approves proposals to re-allocate resources as a result of licensee performance issues.

05.07 DCO Branch Chiefs.

- a. Conducts continuous and quarterly assessment reviews.
- b. Approves proposals to re-allocate resources for other than licensee performance issues such as allegations and events.

05.08 Region II Project Inspection Staff.

- a. Administers and implements the Reactor Construction Inspection Program and issues inspection reports.
- b. Provides NRO with the status of inspections related to specific inspections, tests, analysis, and acceptance criteria (ITAAC).
- c. Acts as the licensee's primary NRC contact for the Reactor Construction Inspection Program.
- d. Coordinates the development of, and revision to, the site inspection plan.
- e. Integrates all of the inspection findings and other inputs to develop an overall assessment of licensee performance.

#### 05.09 Enforcement Coordinator, NRO

- a. Coordinates the concurrence with NRO/DCIP management for the assignment of more than one construction cross-cutting aspect to a finding.

#### 2505-06 REACTOR CONSTRUCTION ASSESSMENT PROGRAM OVERVIEW

The NRC's Reactor Construction Assessment Program is implemented at each reactor that is under construction to allow for the NRC to arrive at objective conclusions about a licensee's effectiveness in assuring construction quality, provide for predictable responses to performance issues, and to clearly communicate performance assessment results to the public. In implementing the construction assessment program (Exhibit 1), the NRC evaluates the inspection history of selected construction activities and programs, enforcement history, allegations, and safety culture to arrive at an integrated assessment of licensee performance. The NRC determines the appropriate agency response to performance issues using the guidance provided in the CAM (Exhibit 2).

The NRC assessment of applicant/licensee performance and associated response are then communicated to the public. Follow-up agency actions, as applicable, are conducted to ensure that the corrective actions designed to address performance weaknesses were effective.

06.01 Period of Review. Licensee performance at each unit is reviewed over a 12-month period through the Reactor Construction Assessment Program. Included in the program are Performance Reviews as detailed in Section 10, Program Reviews as detailed in Section 11, and Public Stakeholder Involvement as detailed in Section 12.

06.02 Corrective Action Program (CAP) Effectiveness Reviews. A fundamental goal of the NRC's oversight of new construction activities is to establish confidence that licensees (and their contractors) are detecting and correcting problems in a manner that ensures quality and safety are paramount and that construction activities will be completed in a manner that ensures each plant is constructed in accordance with the design and will operate safely. A key premise of NRC oversight is that weaknesses in a licensee's CAP will manifest themselves as performance issues that will be identified during the inspection program. Completion of these objectives is accomplished by resident inspectors screening CAP issues on a frequent basis, by performing a semiannual trend review, by sampling issues during each inspection, by follow-up of selected NRC identified issues, and by performing periodic team inspections in accordance with Inspection Procedure (IP) 35007 "Quality Assurance Program Implementation During Construction and Pre-Construction Activities."

Both a programmatic and implementation inspection should be conducted to determine if the licensee's CAP has been adequately developed and implemented. These inspections can be done either as a single inspection or as two separate inspections. Since a licensee would need to have a CAP in place prior to the start of construction, the program review could be completed before construction begins. For the implementation inspection, sufficient CAP activity should have occurred prior to conducting the inspection. However, the implementation inspection should be conducted within six months of the start of licensed construction activities, and typically prior to the conduct of the first end-of-cycle assessment.

To determine if a licensee has developed and implemented an adequate CAP, at the onset of the construction inspection program at a construction site, CAP inspections will be conducted in accordance with IP 35007, Appendix 16, "Inspection of Criterion XVI – Corrective Action." The CAP inspections described in IP 35007 include the review of Quality Assurance (QA) program implementing documents, daily screening of each item entered into the CAP, the focused inspections of four to six samples throughout the year, and an annual team inspection. As part of the construction assessment program, the NRC will use current inspection results and the following criteria to assess the adequacy of the licensee's CAP:

- the licensee has adequately developed a CAP as described in the combined license application and it meets the requirements of 10 CFR Part 50, Appendix B, Criteria XVI as indicated by no uncorrected findings associated with the IP 35007, Appendix 16 QA inspection activity; thus the inspection results should verify that the licensee's QA implementing documents for the identification, evaluation, and corrective action of conditions adverse to quality are in accordance with the NRC-approved QA program description and commitments in the FSAR, or if there were findings in the inspection, the NRC determined they have been corrected,
- the licensee has adequately implemented the CAP such that conditions adverse to quality are promptly identified and corrected as indicated by the lack of greater-than-green findings involving failure to identify and correct conditions adverse to quality or by determining that these findings have been corrected,
- the licensee has adequately implemented the CAP such that significant conditions adverse to quality are promptly identified and corrected to preclude repetition as indicated by the lack of greater-than-green findings involving failure to identify, take corrective action and prevent recurrence of significant conditions adverse to quality or by determining that these findings have been corrected, and
- a construction cross-cutting issue associated with Problem Identification and Resolution (PI&R) does not exist. If a construction cross-cutting issue with PI&R previously existed, corrective actions associated with the issue have been completed.



The CAP assessment will be conducted during end-of-cycle reviews. At least one annual team inspection should have been conducted to review development and implementation of the CAP prior to conducting the first CAP assessment. If insufficient licensee CAP activity has occurred to perform an adequate CAP assessment at the time of the end-of-cycle assessment, this will be stated in the assessment letter. Once it is determined that the licensee's CAP meets the above criteria, the NRC will notify the licensee in the end-of-cycle assessment letter that its CAP has been adequately developed and implemented. The NRC will assess the adequacy of the licensee's CAP during end-of-cycle reviews throughout the construction of the facility and will notify the licensee in the assessment letter if a substantive change in the effectiveness of the CAP has occurred.

06.03 Assessment of Violations. The staff screens inspection findings using the guidance in Inspection Manual Chapter (IMC) 0613, "Power Reactor Construction Inspection Reports." Violations are divided into two groups: (1) violations that can be dispositioned using the construction significance determination process (SDP) as described in IMC 2519, "Construction Significance Determination Process," and (2) violations that will be dispositioned using traditional enforcement methods. After a violation is identified, the NRC assesses its significance or severity. Severity levels are assigned to violations processed under traditional enforcement. The significance of most violations associated with findings committed by licensees of power reactor facilities under construction will be determined using the construction SDP and assigned a color of green, white, yellow, or red.

The NRC Enforcement Policy endeavors to encourage prompt identification and prompt comprehensive correction of violations of NRC requirements. The use of noncited violations (NCVs) for NRC-identified and self-revealing issues as part of the enforcement process is predicated on a licensee having developed and implemented an adequate CAP into which identified issues are entered and effectively resolved in a timely manner.

Once it is determined that a licensee's CAP has been adequately developed and implemented, the NRC will typically disposition Severity Level IV violations and violations associated with green construction and ITAAC findings as NCVs, provided that all NCV criteria in Enforcement Policy Section 2.3.2 have been met. If the NRC concludes that the criteria for an effective CAP in Section 06.02 are no longer met, the licensee will be notified in the end-of-cycle letter and the NRC will suspend the practice of issuing NCVs until performance improves and the criteria are met.

06.04 Use of Inspection Findings. A greater-than-green finding will only be considered in the assessment program after the final determination of significance is made through the SDP and the licensee has been informed of the decision. A finding can apply to all units under construction at a particular site if it is generic in nature (e.g., corrective action program findings) or if the finding occurred at each of the units (e.g., inadequate design change applied to multiple units). The finding will be dated back to the end of the inspection period during which it was identified.

Example: A preliminary white inspection finding identified in the second calendar year (CY) quarter whose final safety significance was determined to be white (low to moderate safety significance) during the third CY quarter, would be considered a white finding in CY quarters 2 and 3.

For the first quarterly assessment of licensee performance, all findings identified since the commencement of inspections per IMC 2502, "Construction Inspection Program: Pre Combined License (Pre-COL) Phase," IMC 2503, "Construction Inspection Program: Inspections of Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC) Related Work" and IMC 2504, "Construction Inspection Program Inspection of Construction and Operational Programs," will be considered to determine the appropriate column of the CAM that applies to the licensee's performance. Each subsequent review will only consider inspection findings identified in the previous two quarters unless Region II has justification to keep the finding open.

Inspection findings may be held open more than two quarters if the corresponding supplemental inspection has not been conducted or reveals substantive inadequacies in the licensee's (1) evaluation of the root causes of the inspection finding, (2) determination of the extent of the performance problems, or (3) actions taken or planned to correct the issue. In this case, additional agency action, including additional enforcement actions or an expansion of the supplemental inspection procedure, may be needed to independently acquire the necessary information to satisfy the inspection requirements.

In these situations, the original performance issue will remain open and will not be removed from consideration in the assessment program until the inadequacies identified in the supplemental inspection are adequately addressed and corrected, or a supplemental inspection has been completed successfully. In the associated inspection report, Region II must convey the specific weaknesses that the licensee needs to address in order to remove this finding from consideration in the assessment program. The correspondence to the licensee describing the extension of an inspection finding in the assessment process beyond the normal two quarters due to a significant weakness in the licensee's evaluation of the performance issue must be authorized by the appropriate Region II Division Director after consulting with the Director, NRO/DCIP.

If inspection findings are extended beyond the original two quarters, the CAM column can be changed upon successful completion of the supplemental inspection and issuance of the associated inspection report (or other agency action), and an assessment follow-up letter noting the change in column (assessment follow-up letters are only required for reduction in a CAM column when held-open findings are being closed out). However, the findings will still be considered (counted towards future column determination) in the CAM for the remainder of the quarter.

06.05 Use of Unresolved Items (URIs). URIs should be dispositioned in accordance with IMC 0613, "Power Reactor Construction Inspection Reports." URIs are not considered in the assessment of licensee performance.

06.06 Use of Traditional Enforcement Outcomes. Violations involving willfulness, impacting the regulatory process, or having actual safety consequences are not adequately characterized by the SDP alone. For this reason, such violations are referred to in this IMC as traditional enforcement violations. These violations are processed in accordance with the NRC's Enforcement Policy and Enforcement Manual. Traditional enforcement violations may have underlying findings that are assessed for significance using the SDP, and these findings shall be considered in the assessment program and the CAM.

Traditional enforcement violations shall be considered during the end-of-cycle reviews when determining: (1) the range of NRC actions within the appropriate column of the CAM when various actions are possible within a column, (2) whether a cross-cutting theme exists in the SCWE cross-cutting area, and (3) the need for more detailed follow-up in response to escalated enforcement actions or a series of violations in one of the traditional enforcement areas of willfulness, impacting the regulatory process, or actual consequences.

06.07 Findings Under Appeal. The process by which a licensee may appeal the staff's final significance determination of an inspection finding documented in an NRC inspection report or final significance determination letter is described in IMC 2519, Attachment 2, "Process for Appealing NRC Characterization of Inspection Findings." If a licensee chooses to appeal the significance determination of a finding, that finding is counted in the CAM consistent with the original significance determination until such a time as the staff notifies the licensee in writing of a change in final significance determination.

## 2505-07 CONSTRUCTION ACTION MATRIX

07.01 Description of the CAM. The CAM (Exhibit 2) identifies the range of NRC and licensee actions and the appropriate level of communication for different levels of licensee performance. The CAM describes a graded approach in addressing performance issues and was developed with the philosophy that, within a certain level of safety performance (i.e., the licensee response band), licensees would address their performance issues without additional NRC engagement beyond the baseline inspection program as defined in IMC 2506. Agency action beyond the baseline inspection program will normally occur only if assessment input thresholds are exceeded.

The following terms are used throughout the discussion of the CAM.

- a. Regulatory Performance Meetings. Regulatory performance meetings are held between licensees and the agency to discuss corrective actions associated with greater-than-green inspection findings. The purpose of the meeting is to provide a forum in which to develop a shared understanding of the performance issues, underlying causes, and planned licensee actions for each greater-than-green assessment input.

These meetings may take place during periodic inspection exit meetings between the agency and the licensee, a periodic NRC management visit, conference calls, or public meetings after completion of the supplemental inspection. These meetings are documented in either an inspection report or a public meeting summary, as appropriate.

If security-related information, which is a type of Sensitive Unclassified Non-Safeguards Information (SUNSI), must be discussed during the regulatory performance meeting, it shall be discussed during a closed meeting. Agency policy regarding SUNSI is provided in Management Directive 12.6.

- b. Licensee Action. Anticipated licensee actions in response to overall performance are identified for each column of the CAM. If these actions are not being taken by the licensee then the agency may consider expanding the scope of the applicable supplemental inspection to appropriately address the area(s) of concern. This would not be considered a deviation from the CAM in accordance with Section 07.03 of this IMC.
- c. NRC Inspection. The range of NRC inspection activities to be conducted in response to licensee performance is identified for each column of the CAM.
- d. Regulatory Actions. The range of actions that may be taken by the agency in response to licensee performance is identified for each column of the CAM.
- e. Communication. Communication between the licensee and the NRC is based on a graded approach. Normally, declining licensee performance will result in higher levels of agency management reviewing and signing the assessment letters and conducting the annual public meeting.

07.02 Expected Responses for Performance in Each CAM Column. The CAM lists expected NRC and licensee actions based on the inputs to the assessment process. Actions are graded such that the agency becomes more engaged as licensee performance declines. Listed below are the ranges of expected NRC and licensee actions for each column of the CAM:

- a. Licensee Response Column (Column 1).
  - 1. All assessment inputs are green.
  - 2. The licensee will receive the complete risk-informed baseline inspection program and any identified deficiencies will be addressed through the licensee's corrective action program (see Section 2505-06.02 of this IMC regarding NRC verification that the licensee has implemented an adequate corrective action program).
- b. Regulatory Response Column (Column 2).
  - 1. Assessment inputs result in one or two white inputs in any cornerstone and no more than two white inputs in any strategic performance area.

2. The licensee is expected to place the identified deficiencies in its corrective action program and perform an evaluation of the root and contributing causes. **When two White inputs correspond to the same cornerstone, the licensee is expected to also perform an evaluation of the root and contributing causes for the collective issues.**
3. The licensee's evaluation will be reviewed using IP 90001, "Construction Regulatory Response Column Inspections."
4. Following completion of the inspection, the branch chief or division director should discuss the performance deficiencies and the licensee's proposed corrective actions with the licensee. The regulatory performance meeting will normally occur at an inspection exit meeting, at a periodic NRC management visit, or a conference call between the licensee and the appropriate branch chief (or division director).

If security-related information, which is a type of SUNSI, must be discussed during the regulatory performance meeting, it shall be discussed during a closed meeting. Agency policy regarding SUNSI is provided in Management Directive 12.6.

c. Degraded Performance Column (Column 3).

1. Assessment inputs result in a degraded cornerstone (**three** or more white inputs or one yellow input in any cornerstone) or three white inputs **in** any strategic performance area.
2. The licensee is expected to place the identified deficiencies in its corrective action program and perform an evaluation of the root and contributing causes for both the individual and the collective issues. This evaluation should also determine whether **deficiencies in the licensee's nuclear safety culture** caused or significantly contributed to the safety-significant performance issues. **If so, then the licensee should address these deficiencies.**
3. The licensee's evaluation will be reviewed using IP 90002, "Construction Degraded Cornerstone Column Inspections." Region II will also conduct an independent assessment of the extent of condition.

Additionally, the NRC may request that the licensee complete an independent assessment of safety culture, **if the NRC identified through the IP 90002 inspection and the licensee did not recognize, that one or more safety culture deficiencies caused or significantly contributed to the risk-significant performance issues.**

The staff will use IP 40100, "Independent Safety Culture Assessment Follow-up," to perform follow-up when the NRC requests the licensee to perform an independent safety culture assessment. The focus of the follow-up effort will be to confirm that the licensee is appropriately dealing with the weaknesses identified by their safety culture assessment. Regional staff should contact the Chief, Construction Inspection Program Branch, NRO/DCIP for assistance and guidance.

4. Following completion of the IP 90002 inspection, the DRAC (or designee) should discuss the performance deficiencies and the licensee's proposed corrective actions with the licensee. The regulatory performance meeting will normally consist of a public meeting between the licensee and the DRAC (or designee).

If security-related information, which is a type of SUNSI, must be discussed during the regulatory performance meeting, it shall be discussed during a closed meeting. Agency policy regarding SUNSI is provided in Management Directive 12.6.

5. Any licensee remaining in Column 3 for one year or more may be invited to meet with the Commission to discuss performance issues and their plan for addressing those issues.

d. Multiple/Repetitive Degraded Cornerstone Column (Column 4).

1. Assessment inputs result in a repetitive degraded cornerstone; multiple degraded cornerstones, multiple yellow inputs, or a red input.
2. The licensee is expected to place the identified deficiencies in its corrective action program and perform an evaluation of the root and contributing causes for both the individual and the collective issues. This evaluation may consist of a third party assessment. The licensee is also expected to perform a third-party assessment of their safety culture.

In addition, a licensee is expected to meet with the Commission within six months of entering Column 4 to discuss its plans for addressing the performance deficiencies and its plans for improvement. The timing of the meeting shall be based on a collegial determination by the Commission informed by a recommendation from the EDO, so it may exceed six months.

3. IP 90003, "Construction Supplemental Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs Or One Red Input," will be performed to review the breadth and depth of the performance deficiencies, assess the licensee's evaluation of their safety culture, and independently perform a graded assessment of the licensee's safety culture. A decision not to independently perform an assessment of the licensee's safety culture would be a deviation from the CAM and would have to be approved in accordance with Section 07.03. However, the staff can use the results from a licensee's third party safety culture assessment and the licensee's root cause evaluation to satisfy the inspection requirements if the staff has completed a validation of the third party assessment methodology and assessment effort and root cause evaluation. This situation would not be a deviation to the CAM. The supplemental inspection plan must be approved by the appropriate regional division director with concurrence of the Director, NRO/DCIP.

4. Each time a plant enters Column 4 of the Action Matrix, the region should assess the benefit of performing an additional PI&R team inspection in accordance with IP 35007. In those instances where an additional inspection is deemed appropriate, the region should provide the basis for its decision to conduct the inspection in the associated communication to the licensee.
5. Following the completion of the inspection, the EDO or his designee, in conjunction with the Region II Administrator and the Director, NRO, will decide whether additional agency actions are warranted. At a minimum, Region II will issue a Confirmatory Action Letter (CAL) to document the licensee's commitments, as discussed in their performance improvement plan, and any other written or verbal commitments. The CAL should explicitly identify licensee actions that, when effectively implemented and validated by the NRC, will provide the necessary bases to transition the plant out of Column 4 when an assessment follow-up letter is issued. These actions need to be as clear and objective as possible.

Other actions will also be considered including performing additional supplemental inspections, issuing a demand for information or an order up to and including the suspension of the utility's COL. The regional administrator should document the results of the staff's decision in a letter to the licensee. These regulatory actions may also be considered prior to the completion of IP 90003, if warranted.

Note: Other than the CAL, the regulatory actions listed in this column of the CAM are not mandatory. However, Region II should consider each of these regulatory actions when significant new information about licensee performance becomes available.

6. The regulatory performance meeting will normally consist of a public meeting between the licensee and the EDO (or designee). Region II should consider the following as indicative of actual performance improvements:
  - (a) New plant issues or violations do not reveal similar significant performance weaknesses;
  - (b) NRC findings do not indicate similar significant performance weaknesses that have not been adequately addressed.
  - (c) The licensee's performance improvement program has demonstrated sustained improvement;
  - (d) NRC construction supplemental inspections show significant licensee progress in the principal areas of weakness;
  - (e) There were no issues that led the NRC to take additional regulatory actions beyond those already taken due to the licensee being in Column 4 of the CAM.

- (f) Additionally, the licensee has made significant progress on any regulatory actions that were imposed (e.g., CALs, orders, 10 CFR 50.54(f) letters) because of the performance deficiencies that led to the Column 4 designation.

If security-related information, which is a type of SUNSI, must be discussed during the regulatory performance meeting, it shall be discussed during a closed meeting. Agency policy regarding SUNSI is provided in Management Directive 12.6.

Due to the depth and/or breadth of performance issues reflected by a plant being in Column 4 of the CAM, it is prudent to ensure that actual performance improvements have been made prior to closing out the inspection findings and exiting Column 4 of the CAM.

- 7. After the original findings have been closed out, and an assessment follow-up letter is issued, the licensee will return to the CAM column that is represented by applicable CAM inputs.

Additionally, for a period of up to one year after the initial findings have been closed out, Region II may use actions that are consistent with Column 3 or 4 of the CAM in order to ensure the appropriate level of agency oversight of licensee improvement initiatives.

These actions, which do not constitute a deviation from the CAM, include:

- (a) Senior management participation at periodic meetings or site visits focused on reviewing the results of improvement initiatives (such as efforts to reduce corrective action backlogs and progress in completing the Performance Improvement Plan),
- (b) Conducting IP 90003 and CAL follow-up inspections (not to exceed 200 hours of direct inspection over a maximum one-year period) without concurrence from the Director, NRO/DCIP,
- (c) Senior management participation at annual public meetings and authorization of the contents of the subsequent assessment letters.

The actions taken beyond those required by the CAM shall be discussed at the following end-of-cycle review meetings to ensure an appropriate basis for needing the additional actions to oversee the licensee improvement initiatives. These actions will also be described in the following annual assessment letters until the end of the extended period of time. All assessment letters that address these additional actions shall include the Director, NRO/DCIP on concurrence.



e. Unacceptable Performance Column (Column 5).

1. Licensee performance is unacceptable and continued plant construction activity in the area of concern is not permitted within this column. Unacceptable performance represents situations in which the NRC lacks reasonable assurance that the licensee can or will construct the facility in accordance with the design basis. Examples of unacceptable performance may include:

(a) Multiple significant violations of the facility's license, regulations, or orders.

(b) Loss of confidence in the licensee's ability to construct the facility in accordance with the design basis (e.g., multiple examples where construction was determined to be outside of its design basis, either due to inappropriate modifications, the unavailability of design basis information, inadequate configuration management, or the demonstrated lack of an effective corrective action program).

(c) A pattern of failure of licensee management controls to effectively address previous significant concerns to prevent recurrence. In general, it is expected, but not required, that entry into **Column 4** of the CAM and completion of supplemental IP 90003 will precede consideration of whether a plant is in the Unacceptable Performance Column.

Note: If the agency determines that a licensee's performance is unacceptable then an order may be issued to stop work in the area of concern.

2. The licensee is also expected to perform a third-party assessment of their safety culture.

3. The NRC will assess the licensee's evaluation of their safety culture, and independently perform a graded assessment of the licensee's safety culture using the guidance contained in IP 90003. A decision not to independently perform an assessment of the licensee's safety culture would be a deviation from the CAM and would have to be approved in accordance with Section 07.03. However, the staff can use the results from a licensee's third-party safety culture assessment and the licensee's root cause evaluation to satisfy the inspection requirements, if the staff has completed a validation of the third-party assessment methodology and assessment effort and root cause evaluation.

4. The EDO/Deputy EDO (or designee) will meet with senior licensee management in a regulatory performance meeting to discuss the licensee's degraded performance and the corrective actions. The Commission will also meet with senior licensee management to discuss the issues which will need to be taken before construction of the facility can be resumed. If security-related information, which is a type of SUNSI, must be discussed during the regulatory performance meeting, it shall be discussed during a closed meeting. Agency policy regarding SUNSI is provided in Management Directive 12.6.

07.03 Deviations from the CAM. There may be rare instances in which the regulatory actions dictated by the CAM may not be appropriate. In these instances, the agency may deviate from the CAM to either increase or decrease agency action. The application of additional resources to evaluate issues not related to licensee performance is not considered a deviation from the CAM.

- a. A deviation is defined as any regulatory action taken that is inconsistent with the range of actions discussed in Section 07.02 of this IMC. A CAM deviation may be considered for a situation such as a type of finding unanticipated by the SDP that results in an inappropriate level of regulatory attention when entered into the CAM.
- b. A memorandum requesting a CAM deviation should be initiated by Region II. The memorandum should include a synopsis of the licensee's performance issues, the required NRC actions per the CAM for these issues, the proposed alternative actions, and the region's basis for requesting the deviation. The draft memorandum should be emailed to NRO/DCIP/CIPB via NRO\_cROP.Resource@nrc.gov for awareness. Comments may be offered for regional consideration. The region should then place the document in the NRC's Agencywide Documents Access and Management System (ADAMS), create a concurrence package, and the RA should send the memorandum to the Office Director of NRO for concurrence. NRO will then forward the memorandum to the EDO for approval.
- c. The EDO shall approve all deviations from the CAM and inform the Commission when deviations are approved at the Commission meeting on the results of the Agency Action Review Meeting (AARM). After the EDO approves the deviation, the document shall remain draft in ADAMS until the licensee is notified via publicly available docketed correspondence, which is described below.
- d. Deviations from the CAM shall be communicated to the licensee in an assessment follow-up letter or annual assessment letter. This letter shall contain the EDO-signed memorandum as an enclosure and shall also be emailed to NRO\_cROP.Resource@nrc.gov. Both the letter and memorandum shall be made publicly available after the licensee is notified of the deviation. The NRC's public "cROP Action Matrix Deviations" website will be updated in accordance with IMC 0306.
- e. MD 8.14 requires NRO to ensure that the causes for deviations are understood and to identify any necessary changes to the cROP guidance. To ensure that this requirement is met, NRO/DCIP/CIPB shall coordinate with Region II to develop a white paper that describes the causes for the deviation, recommendations for changes, if any, to cROP guidance, and the basis for the recommendations to change or not change cROP guidance.
- f. Ensure that deviation documents containing SUNSI security information are marked and handled in accordance with Management Directive 12.6.

The determination of a plant's CAM column considers inspection findings, timing, and the status of supplemental inspections and reports. CAM inputs are considered in time intervals consisting of calendar quarters. However, plants can change CAM column designation throughout the quarter in accordance with Section 10.01. The first calendar quarter is from January 1st through March 31st. The second quarter is from April 1st through June 30th. The third quarter is from July 1st through September 30th. The fourth quarter is from October 1st through December 31<sup>st</sup>.

#### 08.01 Inspection Findings

- a. **Use of greater than green (Safety-Significant) Inspection Findings.** Safety-significant inspection findings are considered in the assessment process when (1) the NRC determines the final significance in accordance with IMC 2519, "Construction Significance Determination Process," and (2) the licensee has been informed of the decision. The start date of the finding and the timeframe for consideration of the finding as a CAM input are described below.
- b. **Start Date of Findings in the Assessment Program.** The start date used for consideration of inspection findings in the assessment program is the end of the inspection activities that designate the issue as an apparent violation (AV), violation (VIO), finding (FIN), or noncited violation (NCV). For quarterly integrated inspection reports, use the last day of the quarter being assessed. For all other inspection reports, use the last day of onsite inspection activities in which the item was identified as an AV, FIN, VIO, or NCV (often the date of the exit meeting, or the date of re-exit if disposition of the finding/violation changed since the original exit meeting). **The finding's start date is used to determine the first quarter in which the finding becomes a CAM input. A safety-significant finding is considered a CAM input for the entire duration of (1) the quarter that includes the finding's start date and (2) the next quarter.** Unresolved Items should be dispositioned according to IMC 0613, and appropriately updated in Construction Inspection Program Information Management System (CIPIMS) when additional information becomes available.

After a final determination of the significance of an inspection finding is made, Region II shall refer back to the appropriate date discussed above to determine if any additional action would have been taken had the significance of the inspection finding been known at that time.

Example: Consider the situation where a finding in the Construction/Installation cornerstone was white for the second quarter of the assessment cycle and there were two inspection findings in the same cornerstone from the second quarter of the assessment cycle whose final safety significance was determined to be white in the third quarter of the assessment cycle. In this case, the appropriate action would be to perform supplemental IP 90002 rather than IP 90001 since there were three white assessment inputs in the same cornerstone for the second quarter of the assessment cycle. This would be communicated to the licensee in the appropriate assessment letter.

A finding is closed when it is no longer considered a CAM input after a specified quarter. A safety-significant inspection finding will be closed after two full consecutive calendar quarters unless the region justifies holding the finding open in accordance with Section 08.02. Region II may close a finding if external agencies have not completed their investigations.

Note: Even though a safety-significant finding is closed, the finding is still considered a CAM input for the quarters in which it is applicable.

#### 08.02 Including and Removing Inspection Findings in the Assessment Program

- a. Inspection findings may be held open more than two quarters if the corresponding supplemental inspection has not been conducted or reveals substantive inadequacies in the licensee's (1) evaluation of the root causes of the inspection finding, (2) determination of the extent of the performance problems, or (3) actions taken or planned to correct the issue. In this case, additional agency action, including additional enforcement actions or an expansion of the supplemental inspection procedure, may be needed to independently acquire the necessary information to satisfy the inspection requirements.

In these situations, the original performance issue will remain open and will not be removed from consideration in the assessment program until the inadequacies identified in the supplemental inspection are adequately addressed and corrected, or a supplemental inspection has been completed successfully. In the associated inspection report, Region II must convey the specific weaknesses that the licensee needs to address in order to remove this finding from consideration in the assessment program. The correspondence to the licensee describing the extension of an inspection finding in the assessment process beyond the normal two quarters due to a significant weakness in the licensee's evaluation of the performance issue must be authorized by the appropriate Region II division director after consulting with the Director, NRO/DCIP.

If inspection findings are extended beyond the original two quarters, the CAM column can be changed upon successful completion of the supplemental inspection and issuance of the associated inspection report (or other agency action), and an assessment follow-up letter noting the change in column (assessment follow-up letters are only required for reduction in the CAM column when held-open findings are being closed out). However, the findings will still be considered (counted towards future column determination) in the CAM for the remainder of the quarter.

- b. Greater-than-green inspection findings with associated cross-cutting aspects will be considered as input for the construction cross-cutting issue determination for at least 12 months or as long as that finding is open.

#### 08.03 Additional Supplemental Inspection and cROP Action Matrix Guidance.

- a. Generally, the supplemental inspection procedure associated with the most significant applicable column of the CAM should be performed once. Until that supplemental inspection is satisfactorily completed, the licensee shall remain in the applicable column

of the CAM.

- b. The scope of supplemental inspections should include all white, yellow, or red findings in all cornerstones and strategic performance areas. For example, if an IP 90002 inspection is being performed due to a yellow finding in the Construction/Installation Cornerstone, the scope should also include any white inspection findings in that cornerstone or any other area.

If an IP 90002 inspection is being performed due to three white findings in the Construction Reactor Safety Strategic Performance Area, the scope should include all white inspection findings in all strategic performance areas and cornerstones.

- c. If a greater-than-green inspection finding is approaching the end of the two quarters it is considered in the CAM, and the licensee is ready for the supplemental inspection, the IP 90001 inspection can be conducted, even though this finding and other CAM inputs will be subject to a future IP 90002 inspection.

If the IP 90001 inspection is successful, the licensee would stay in the Degraded Performance Column of the CAM until the IP 90002 is successful. However, the closed finding would not be used to determine whether the licensee will transition to Column 4.

For example, if an inspection finding starts in quarter one and the licensee has two or more greater-than-green inputs in quarter two, the NRC can conduct the IP 90001 inspection on the first issue in quarter two if the licensee is ready, even though they are not ready for the IP 90002 inspection.

Example: A plant has a white finding starting in Quarter one, the NRC completes an IP 90001 inspection in Quarter two, and the plant has two additional white inputs starting in Quarter two. Since the plant would be in the degraded performance Column 3 in Quarter two, the licensee would stay in Column 3 until the IP 90002 inspection is completed satisfactorily (even though the initial white finding would no longer be active in the CAM). The initial white finding would also not be used to determine whether the plant would transition to Column 4.

If the IP 90001 inspection is completed successfully in the second quarter, the licensee will remain in the Column 3 Column until all aspects of the IP 90002 inspection scope are successfully completed. However, the closed inspection finding (which started in quarter one) will not be used when determining if the licensee should transition to Column 4.

Likewise, any inspection finding that is satisfactorily inspected and resolved through the conduct of a IP 90002 inspection, and is considered isolated from the other findings inspected, can be removed from consideration in the CAM once the finding has been input into the CAM for two quarters. The basis for the NRC's actions should be stated in the inspection report cover letter. The cover letter should also include the licensee actions necessary to close the remaining (held open) issues.

- d. If a white inspection finding subsequently occurs in an unrelated cornerstone or strategic performance area, the associated supplemental inspection should be conducted at the appropriate level.

For example, if three white findings are discovered in the Procurement/Fabrication Cornerstone, then the region inspects using IP 90002. If an additional white inspection finding is discovered in the Design/Engineering cornerstone, then the regional office should inspect this finding using IP 90001 unless the additional finding can be inspected during the previously scheduled IP 90002 inspection.

#### 08.04 Corrective Action Program Inspections.

Each time a facility enters **Column 3** of the CAM, Region II should assess the benefit of performing an additional CAP team inspection in accordance with IP 35007. One additional inspection should be considered for the two-year period following the quarter in which the facility reached the **Column 3** of the CAM. In those instances where an additional inspection is deemed appropriate, Region II should provide the basis for its decision to conduct the inspection in the appropriate assessment letter (annual assessment letter or assessment follow-up letter) to the licensee.

#### 08.05 Traditional Enforcement Follow up Inspections.

Traditional enforcement violations are independent of the findings that result in a plant being assigned to a specific column of the action matrix. However, a traditional enforcement violation should normally receive follow up using IP 92702, "Follow-up on Corrective Actions for Violations and Deviations," to ensure that it has been captured in the licensee's corrective action program. An assessment of the overall traditional enforcement history during the previous 12 months is conducted during the end-of-cycle reviews. The regulatory significance of escalated traditional enforcement actions or multiple Severity Level IV violations in one of the traditional enforcement areas of willfulness, impeding the regulatory process, and actual consequences may indicate the need to perform more detailed follow up.

Conducting IP 92722, "Follow Up Inspection For Any Severity Level I or II Traditional Enforcement Violation or for Two or More Severity Level III Traditional Enforcement Violations in a 12 Month Period," should be considered to follow up on any Severity Level I or II traditional enforcement violation or for two or more Severity Level III violations in any 12 month period. Conducting IP 92723, "Follow Up Inspection for Three or More Severity Level IV Traditional Enforcement Violations in the Same Area in a 12-Month Period," should be considered to follow up whenever a licensee has been issued three or more Severity Level IV violations in one of the traditional enforcement areas of willfulness, impeding the regulatory process or actual consequences during any 12 month period. If follow up of traditional enforcement actions are planned, they should be coordinated with any supplemental inspections to avoid duplication of effort. Follow up of traditional enforcement actions is not considered a deviation from the CAM since traditional enforcement actions are not an input to the CAM.

2505-09 CONSTRUCTION CROSS-CUTTING ISSUES (CCI)

The cROP was developed with the presumption that plants that had significant performance issues with cross-cutting areas would be revealed through the existence of safety-significant inspection findings. The NRC identifies a CCI to inform the licensee that the NRC has a concern with the licensee's performance in the cross-cutting area and to encourage the licensee to take appropriate actions before more significant performance issues emerge. The cross-cutting aspects (CCAs) are described in IMC 0613, Appendix F. CCAs are assigned and CCIs are identified on a "per site" basis; not on a "per unit" basis. In order to determine whether CCIs exist at a site, an assessment must be performed during the preparation for the second quarter and end-of-cycle assessment meetings, as described below.

09.01. Construction Cross-cutting Themes. To determine if a cross-cutting theme exists at a site, Region II shall gather assessment and inspection results related to cross-cutting aspects, as described below.

- a. Human Performance and Problem Identification and Resolution Themes. A search of CIPIMS entries should be conducted for findings having cross-cutting aspects in the cross-cutting areas of Human Performance (H) and Problem Identification and Resolution (P) for the previous 12-month assessment period. A cross-cutting theme in the area of H or P exists if six or more of these findings were assigned the same cross-cutting aspect. The findings should be representative of more than one cornerstone; however, given the significant inspection effort applied to the Construction/Installation Cornerstone, a cross-cutting theme can exist consisting of inspection findings associated with only this one cornerstone. Any regulatory action that does not constitute a finding (e.g., observations or enforcement actions) should not be considered in this determination.

A cross-cutting theme also exists if during the previous 12-month assessment period, a licensee has at least 20 findings with cross-cutting aspects in the Human Performance cross-cutting area, or 12 findings with cross-cutting aspects in the Problem Identification and Resolution cross-cutting area.

- b. Safety Conscious Work Environment Themes. SCWE-related issues from an 18-month period (i.e., the current end-of-cycle assessment period and the two quarters preceding that period) shall be considered. Declining SCWE trends take time to manifest; similarly, they also require time to correct and improve. For this reason, an 18-month period after a SCWE theme is identified is warranted to assess the effectiveness of SCWE-related corrective actions. As such, the current 12-month assessment period and the two quarters preceding that period shall be considered. A cross-cutting theme in the area of SCWE exists if at least one of the following three conditions exists:
  1. There is a finding with a documented cross-cutting aspect in the area of SCWE, and the impact on SCWE was not isolated. Any regulatory action that does not constitute a finding (e.g., observations or enforcement actions) should not be considered in this determination.

For the purpose of this IMC, “not isolated” means more than one individual is impacted (e.g., multiple individuals, functional groups, shift crews, or levels within the organization are affected). Consideration should be given to: the roles, responsibilities, and job functions of the impacted individuals; insights from the most recent corrective action program inspection; and the number and nature of allegations received during the review period.

2. The licensee has received a chilling effect letter.
  3. The licensee has received correspondence from the NRC that transmitted (1) a SL I, II, or III enforcement action that involved discrimination or (2) a confirmatory order that involved discrimination. The theme applies only to the sites(s) where the discrimination occurred.
- c. Held-Open Inspection Findings. For a held-open inspection finding with a CCA, the CCA will be considered as input for cross-cutting theme determination.

09.02 Opening Cross-Cutting Issues. The region will conduct a review of findings during the second quarter and end-of-cycle assessment meetings to determine if the licensee meets the criteria for a cross-cutting theme. The first time that a licensee meets the criteria for a cross-cutting theme, the region will document the theme in an assessment follow-up letter or the cover letter for the second quarter integrated inspection report (if identified during the second quarter assessment) or the annual assessment letter, as applicable. The region should review licensee actions with regard to a causal analysis and/or corrective actions for that theme.

For the second consecutive review that identifies the same cross-cutting theme, the region will document the theme in an assessment follow-up letter or the cover letter for the second quarter integrated inspection report (if identified during the second quarter assessment) or the annual assessment letter, as applicable. If not already done, the region should consider the effectiveness of the licensee’s actions (e.g., additional findings with the same aspect during the last six months of the review period) in determining whether or not to perform additional follow-up of the licensee’s corrective actions. Regional follow-up of the licensee’s corrective actions could be accomplished through a PI&R inspection sample, a semi-annual trend review focused on the theme, a routine PI&R inspection sample, or including it within the scope of the annual corrective action program team inspection, if one is scheduled during the period.

For the third consecutive assessment meeting with the same cross-cutting theme, the region will open and document a CCI in an assessment follow-up letter or the cover letter for the second quarter integrated inspection report (if identified during the second quarter assessment) or the annual assessment letter, as applicable.

If a licensee meets the criteria for a cross-cutting theme in more than one CCA and/or a cross-cutting area, each theme will be documented separately in an assessment follow-up letter or the cover letter for the second quarter integrated inspection report (if identified during the second quarter assessment) or the annual assessment letter, as applicable. Multiple CCIs shall also be documented separately, if applicable.



### 09.03 Closing CCIs

- a. CCI
s can be closed only after the second quarter or end-of-cycle assessment meetings in an assessment follow-up letter or the cover letter for the second quarter integrated inspection report (if identified during the second quarter assessment) or the annual assessment letters. If applicable, CAL closure could serve as a basis for closing a CCI. CAL closure for licensees exiting Column 4 of the CAM will serve as the basis for closing out any existing CCIs.

  - b. The regional office shall establish the criteria for closing the CCI, and that criteria should be clearly described in the applicable letter. The CCI should be closed out through a follow-up inspection. IP 35007 can be used to close out CCI
s in the Human Performance and PI&R cross-cutting areas. IP 93100 can be used to close out SCWE-related CCIs. Examples of closure criteria include, but are not limited to, the following or any combination of the following:

    1. Fewer findings with the same CCA as the CCI. In this case, if the number of findings with the same CCA as the CCI in the current assessment period is less than the number of findings when the CCI was opened, then the CCI would be closed.
    2. Increased confidence in the licensee's ability to address the CCI. In this case, if the staff has confidence in the licensee's scope of efforts or progress in addressing the CCI, even though the cross-cutting theme criteria continue to be met, then the CCI would be closed.
    3. An improving trend in the number of findings with the same CCA as the CCI during the most recent half of the assessment period. In this case, if the licensee made significant improvements in the last half of the assessment period but still meets the cross-cutting theme criteria, then the CCI could be closed.

  - c. The decision to continue to identify a CCI in the next letter will be based on whether the closure criteria were met.

### 09.04 Documentation and Follow-Up Actions

- a. The next assessment letter should summarize the specific CCI in one to two paragraphs of text including:
  1. Identifying the findings and their common CCA used to identify the CCI, including a list of the specific cross-cutting aspects and how it was determined to apply.
  2. Placing the CCI in the proper safety perspective (impact to construction QA).

3. Describing the agency's action in the baseline inspection program to monitor the issue, specifically indicating how the staff will follow up on the CCI. The following are examples of how the staff may follow up on a CCI:
    - (a) Through reviews of corrective actions trend data conducted at the end-of-cycle reviews,
    - (b) As a corrective action follow-up inspection item performed in accordance with IP 35007,
    - (c) During a QA inspection in accordance with IP 35007 or,
    - (d) As a review of the licensee's evaluation of the CCI in accordance with IP 90001.
  4. Stating the agency's assessment of the licensee's ability to address the CCI or the licensee's progress to correct the issue.
  5. Defining criteria for clearing the CCI.
- b. In the absence of clarification in the assessment letter, the decision to continue to highlight a CCI in the next assessment letter will be based on the criteria used to initiate a CCI.
- If the number of findings in the current assessment period is less than the CCI threshold, the existing CCI will be closed, unless there is an overlapping CAL that remains open.
- c. If a plant has been issued a CAL that contains improvement issues similar to the CCI, then the follow-up is not based on meeting the conditions for a CCI since the completion of the licensee's commitments as specified in the CAL takes precedence.
  - d. When the NRC identifies a CCI in an assessment letter, the licensee should place this issue into its CAP, perform an analysis of causes of the issue, and develop appropriate corrective actions. The licensee's completed evaluation may be reviewed by Region II and documented in an assessment letter.
  - e. If a CCI is discussed in an assessment letter, then the next assessment letter should address the licensee's performance in this area. Region II will evaluate the findings for the current assessment period with CCAs against the above listed criteria and the criteria for closing the CCI as outlined in the assessment letter.

The next assessment letter will state one of the following:

1. The issue has been satisfactorily resolved and references the inspection report that documented the follow-up or summarizes the agency's assessment against the above listed criteria.
2. A summary of the licensee's progress in addressing the issue.

- f. In the second consecutive assessment letter identifying the same CCI, Region II may consider requesting that:
  - 1. The licensee provide a response at the annual public meeting,
  - 2. The licensee provide a written response to the CCI raised in the assessment letters, or
  - 3. A separate meeting be held with the licensee.
- g. In the third consecutive assessment letter identifying the same CCI, Region II would typically request that the licensee perform an assessment of safety culture. Region II could conclude a safety culture assessment request is not warranted if the licensee has made reasonable progress in addressing the issue but has not yet met the specific closure criteria for the issue. Typically, this safety culture evaluation would consist of a licensee independent assessment.

Region II should review the licensee's safety culture assessment using appropriate elements from IP 90003. The focus of the review effort will be to confirm that the licensee is appropriately dealing with the weaknesses identified by their safety culture assessment. The overview of NRC's assessment should be documented in the next assessment follow-up or end-of-cycle letter. If Region II believes the licensee has failed to resolve the CCI in a timely manner, Region II should consider conducting a focused IP 35007 team inspection to ensure an appropriate level of oversight of the corrective actions involving the safety culture of the facility.

If the same CCI is identified beyond the third consecutive assessment letter, and all of the options proposed above have been exhausted, the regional office may consider additional actions (e.g., actions not prescribed by the Construction Action Matrix) to address the issue. Additional actions should be developed in consultation with the Director, NRO, and the EDO.

- h. In recognition that SCWE-related CCIs are much more difficult for licensees to address and for licensee remedial actions to take effect, the regional office can defer requesting the licensee to conduct a safety culture assessment, and the consideration of conducting the IP 35007 follow-up team inspection until the fourth consecutive assessment letter identifying the same CCI with the SCWE CCA.

## 2505-10 PERFORMANCE REVIEWS

The construction assessment program consists of a series of reviews which are described below.

10.01 Continuous Review. The NRC begins its continuous review of licensee performance once construction-related inspections commence at a proposed unit. Inspections are conducted on a continuous basis in accordance with IMC 2502, IMC 2503, and IMC 2504. Inspection results are continuously monitored by the Region II site construction team (region-based inspectors, resident inspectors (if applicable), and branch chiefs). Inspection plan adjustments will be made as necessary.

Prior to the beginning of quarterly reviews in accordance with Section 10.02 of this IMC, the column designations in the CAM do not apply. However, the construction inspection team shall use the CAM as a guide to determine the appropriate agency response to inspection findings.

Once quarterly reviews have begun in accordance with Section 10.02 of this IMC, Region II may issue an assessment follow-up letter and address an issue in accordance with the CAM if: (1) a safety-significant inspection finding is finalized (in this case, the assessment follow-up letter may be combined with the final SDP letter or the second quarter integrated inspection report cover letter except for security cornerstone findings as discussed below), or (2) a finding will be closed after the end of the applicable quarter (in this case, the assessment follow-up letter may be combined with the inspection report cover letter).

However, the assessment follow-up letter should not be combined with security cornerstone SDP letters or supplemental inspection reports, and a separate publicly available assessment follow-up letter should be issued. If the assessment follow-up letter is combined with another document as described above, ensure the document title includes "assessment follow-up letter," to clearly communicate the assessment follow-up letter is being combined with the other document.

An assessment follow-up letter should also be issued to communicate that a CAM deviation was issued or closed. The assessment follow-up letter should discuss planned actions and note applicable changes to the plant's designation in the CAM. The assessment follow-up letter should be emailed to NRO\_cROP Resource@nrc.gov. The cROP website will be updated continuously to reflect the CAM information discussed in the most recent assessment follow-up letter. Example assessment follow-up language can be found in Exhibit 7 (not publicly available). If security-related information, which is a type of SUNSI, must be discussed in the assessment follow-up letter, it shall be provided to the licensee in a separate non-publicly available correspondence. Agency policy regarding SUNSI is provided in Management Directive 12.6, "NRC Sensitive Unclassified Information Security Program."

10.02 Quarterly Review. Quarterly reviews begin after a Limited Work Authorization and/or a COL has been issued, the NRC has implemented either IMC 2502, 2503 or 2504, and there is sufficient activity occurring for a quarterly review to be meaningful. The NRC will notify the licensee when quarterly reviews begin.

- a. Requirements. Region II conducts a quarterly review for each plant under construction within five weeks following the conclusion of each quarter of the annual assessment cycle.

- b. Preparation. The responsible DCO branch chief reviews the applicable inspection findings to identify any performance trends. Additional activities include planning inspection activities for approximately 12 months, discussing site performance in the cross-cutting areas during the second quarter review, and determining if any traditional enforcement follow-up inspections are necessary. The branch chief shall use the CAM to help identify if there are NRC actions that should be considered which are not already embedded in the existing inspection plan.
- c. Conducting the quarterly review. Region II determines the appropriate CAM column for each plant and communicates the results to headquarters. During the second quarter review, Region II determines if the criteria for opening a cross-cutting theme or CCI are met.

Since inspection findings count in the assessment program for two quarters, the staff may become aware that a plant will reach a repetitive degraded cornerstone categorization prior to five consecutive quarters actually being completed. When Region II determines that a plant will reach a repetitive degraded cornerstone, an assessment follow-up letter should be issued stating that the changes to the planned actions are consistent with Column 4 in the CAM and make the appropriate change to the CAM Summary.

Additionally, for plants whose performance is in Column 4 of the CAM, consideration shall be given at each quarterly review of engaging senior licensee and agency management in discussions associated with declaring licensee performance to be unacceptable in accordance with the guidance contained within this IMC and taking additional regulatory actions (as appropriate).

- d. Quarterly review output. The output of the quarterly review is a quarterly assessment follow-up letter, if required (in this case, the assessment follow-up letter may be combined with the final SDP letter or the second quarter integrated inspection report cover letter). Assessment follow-up letters should be issued within two weeks after the quarterly review in the following situations:
  - New greater-than-green inspection findings.
  - The second quarter assessment follow-up letter shall document cross-cutting themes and CCIs that are new, remaining open, or being closed, if applicable. In this case, the second quarter assessment follow-up letter should also contain all of the information required in Section 10.03.d.6 of this IMC.
  - When Region II determines that a plant will reach Column 4 in the CAM. This assessment follow-up letter should be issued stating that the changes to the planned actions are consistent with Column 4 in the CAM and make the appropriate change to the CAM Summary.

- If there are significant changes in the inspection plan for a plant to ensure the licensee is aware of these changes.

If, based on the continuous review as discussed above, the region issued an assessment follow-up letter for inspection findings during the past quarter, then a subsequent quarterly assessment follow-up letter is not required if its only purpose is to reiterate issues that had been previously addressed to the licensee. If there is no column change since the last assessment letter, or CCI's do not require discussion after the second quarter review, a quarterly assessment follow-up letter is not required. Assessment follow-up letters are not required for leftward movement in the CAM unless a held-open finding is being closed out.

The quarterly assessment follow-up letter should be emailed to NRO\_cROP Resource@nrc.gov. If security-related information, which is a type of SUNSI, must be discussed in the quarterly assessment follow-up letter, it shall be provided to the licensee in a separate non-publicly available correspondence. For example, regions can reference a final SDP letter previously issued that explains any greater-than-green security issues. Agency policy regarding SUNSI is provided in Management Directive 12.6.

For a plant in Column 4 of the CAM, documentation of the date of NRC's quarterly review and discussion of NRC's decision regarding transferring the plant to Column 5 of the CAM or taking any additional regulatory actions is required. The documentation can be in a quarterly assessment follow-up letter, annual assessment letter, or quarterly inspection report, as applicable.

### 10.03 End-of-Cycle Reviews.

- a. Requirements. Region II conducts an end-of-cycle review for each plant using inspection findings compiled over the previous 12 months and those identified earlier that are held open longer per Section 06.04 of this IMC. This review incorporates activities from the quarterly reviews that followed the end of the first, second, and third quarters of the CY and will normally be completed within seven weeks of the end of the annual assessment cycle.

Additional activities include planning inspection activities for approximately 12 months, discussing site performance in the cross-cutting areas, and determining if any traditional enforcement follow-up inspections are necessary. The end-of-cycle review also serves as input to support the End-of-Cycle Summary Meeting and the Agency Action Review Meeting (AARM). See Sections 10.04 and 11.01 respectively for more information.

The CAM and assessment inputs will be used to determine the scope of NRC actions.

- b. Preparation. In preparation for the end-of-cycle assessment review meetings, Region II shall:
  1. Compile the applicable inspection findings, the qualitative results from the quality assurance inspections conducted during the assessment period, and the proposed inspection plan for each plant.

2. Develop a meeting agenda. The meeting agenda shall identify the areas that should be addressed by the regional offices for all plants except those for which a Plant Performance Summary (PPS) (Exhibit 3) is required. A single written agenda outlining planned discussion topics is sufficient to conduct the meeting.
  3. A PPS is required for those plants whose performance has been in Column 3, 4, or 5 of the CAM during any quarter of the applicable assessment period, and for those plants that may or will have new or continuing CCIs (Region II management may direct that a PPS be developed for all units). The PPSs will assist the regional offices in conducting the meeting and form the basis for the annual assessment letter. The final revision of these summaries will also be used at the End-of-Cycle Summary Meeting and serve as input to the AARM.
  4. The Plant Performance Summary should include:
    - (a) An executive summary
    - (b) A performance overview
    - (c) Potential for change in regulatory response
    - (d) Analysis of cross-cutting issues
    - (e) An assessment of the CAP at sites where the CAP has not been determined to be adequate.
    - (f) Miscellaneous Topics
    - (g) A proposed inspection plan
  5. Treat the summaries as draft and pre-decisional, and apply the NRC's SUNSI handling requirements, as necessary. Email the plant performance summaries to NRO\_cROP Resource@nrc.gov at least two business days prior to the meeting. The PPSs may be added to agency internal websites to make the information readily available during discussions.
  6. At the conclusion of the end-of-cycle assessment meeting, the regional office shall add the end-of-cycle agendas and plant performance summaries for all plants to the NRCs ADAMS to save them as agency records. They should be treated as internal documents and profiled as non-publicly available.
- c. Conducting the end-of-cycle review meeting

The end-of-cycle review meeting is chaired by the DRAC or designee. The Region II division directors and/or branch chiefs present the results of the annual review to the DRAC or designee.

Other participants should include applicable resident inspectors and a representative from NRO/DCIP and NRO/Division of New Reactor Licensing (DNRL). Additional participants may include the regional allegations coordinator or the agency allegations advisor, the NRO construction experience lead, and any other additional resources deemed necessary by Region II. Representatives from other NRC program offices should also participate if there are pertinent performance issues that should be factored into the performance for a particular plant.

The role of the various headquarters participants during the assessment meeting is to provide: (1) an opportunity for these offices to share any significant insights into licensee performance over the course of the annual assessment period, (2) an independent validation of the regional office's assessment of licensee performance from their office's perspective, and (3) clarifying or ancillary remarks regarding ongoing or current issues under their cognizance.

The agency allegations advisor, the NRO construction experience lead, and the NRO DRNL project manager will provide any significant insights to Region II at least one week in advance of the end-of-cycle meeting.

The average time allocated for each plant review is intended to be between 20 minutes and one hour. The time allotted per review should be consistent with the number and significance of plant issues.

d. End-of-cycle review meeting output.

The output of the end-of-cycle review meeting is an annual assessment letter. The annual assessment letter shall be issued within nine weeks of the completion of the end-of-cycle assessment period. Signature authority for the annual assessment letter is determined by the most significant column of the CAM that the plant has been in during the end-of-cycle assessment period.

Assessment letters should be emailed to NRO\_cROP Resource@nrc.gov.

If security-related information, which is a type of SUNSI, must be discussed in the annual assessment letter, it shall be provided to the licensee in a separate non-publicly available correspondence. For example, regions can reference a final SDP letter previously issued that explains any greater-than-green security issues. The Agency policy regarding SUNSI is provided in Management Directive 12.6.

The assessment letters shall contain:

1. A summary of greater-than-green inspection findings for the most recent two quarters and those held open longer per Section 06.04 of this IMC as well as a discussion of previous actions taken by the licensee and the agency relative to these issues. Any changes in CAM column status since the end of the previous cycle assessment period shall be noted. Performance issues from previous quarters may be discussed if:



- (a) The agency's response to an issue had not been adequately captured in previous correspondence to the licensee.
- (b) These issues, when combined with assessment inputs from the most recent quarter, result in increased regulatory action per the CAM that would not be apparent from reviewing only the most recent quarter's results.

Note: Publicly available discussion of security cornerstone issues will consist of indicating the existence of one or more greater-than-green security inputs. Do not list the specific number, safety significance (i.e. white, yellow or red) or other more detailed information regarding security cornerstone CAM inputs in publicly available assessment letters.

2. A brief discussion of the inspection results during the assessment period and focus areas planned during upcoming baseline inspections, if any.
3. A discussion of any deviations from the CAM during the assessment period.
4. For plants that have remained in Column 3 for one year or more, a discussion on why the licensee has remained in this column for an extended period of time and how they plan to address the performance issues.
5. For plants that are in Column 4, a discussion of the performance issues contributing to the licensee being placed in this column and the licensee actions being taken to address the performance problems.
6. A qualitative discussion of CCI, if applicable. The annual assessment letter shall document cross-cutting themes and CCI that are new, remaining open, or being closed.
  - (a) The annual assessment letter shall include the following information for new CCI: (1) the alpha-numeric identifier of the new CC or the cross-cutting area (HU, PI&R, SCWE), if applicable, (2) the basis for the cross-cutting theme and CCI criteria being met, (3) the purpose of identifying a CCI, (4) the CCI closure criteria, and (5) a brief description of Region II's plans to follow-up on the CCI.
  - (b) If an CCI is remaining open, the assessment letter shall include the following information: (1) the alpha-numeric identifier of the CCI, if applicable, (2) the date of the assessment letter(s) that opened and/or discussed the CCI, (3) the region's basis for continuing the CCI, including a summary of the licensee's progress in addressing the CCI, (4) the CCI closure criteria, (5) a brief description of the region's plans to follow-up on the CCI, and (6) any requests for additional meetings with the licensee or safety culture assessments to be performed.

- (c) If an CCI is being closed, the assessment letter shall include the following information: (1) the alpha-numeric identifier of the CCI or the cross-cutting area (HU, PI&R, SCWE),, if applicable, (2) the date of the assessment letter(s) that opened and/or discussed the CCI, and (3) the region's basis for closing the CCI, including a summary of the licensee's actions to address the CCI.
  - (d) A statement that a cross-cutting theme exists if the licensee meets the criteria for a theme, and has not yet met the criteria to be documented as a CCI.
7. A discussion of (1) non-SDP enforcement actions having Severity Level III or greater significance, including the planned Agency response, and/or (2) if the licensee has met the criteria for implementing IP 92723 to follow up on any non-escalated traditional enforcement actions. Region II may, if desired, indicate if the licensee is approaching the criteria for an IP 92723 follow-up inspection.
  8. A discussion of findings that are currently being evaluated by the SDP that may affect the inspection plan.
  9. A statement of any actions to be taken by the agency in response to safety-significant issues, as well as any actions taken by the licensee.
  10. A brief discussion of the CAP assessment results in accordance with Section 06.02 or 06.03, if warranted.
  11. An inspection plan consisting of approximately 12 months (from the issuance of the assessment letter) of activities. The 12 month inspection plan may contain a footnote stating that changes to the licensee's construction schedule can directly affect the inspection plan.

The OUC security inspection plan shall be sent to the licensee via separate non-publicly available correspondence. The letter transmitting the security inspection plan should be issued on or about the same time as the assessment letter.

10.04 Assessment Prior to Transition to Reactor Oversight Process. The final assessment of licensee performance prior to the 10 CFR 52.103(g) finding for a unit is chaired by the DRAC or designee. This assessment may be conducted in lieu of the scheduled quarterly or end-of-cycle meeting, depending on the timing of the 10 CFR 52.103(g) finding. The Director, Division of Inspection and Regional Support (DIRS), NRR, or designee, the Director, Division of Construction Inspection and Operational Programs (DCIP), NRO, or designee, and the Director, Division of New Reactor Licensing (DNRL), or designee, will participate in the assessment meeting. Other participants should include applicable resident inspectors, project managers, and construction operations engineers. Additional participants may include any other additional resources deemed necessary by Region II.

Region II management will determine the appropriate supporting information that is needed for this meeting and the format by which it will be presented (e.g., meeting agenda, plant performance summary, or some alternate presentation format). It is desirable to have only one assessment process in place at any given time for a licensee. As such, the licensee assessment requirements in IMC 0305 will apply and the requirements in this IMC will no longer apply after the 10 CFR 52.103(g) finding. Therefore, upon issuance of the 10 CFR 52.103(g) finding, the unit will be removed from the applicable column in the CAM and will be assigned to the proper ROP Action Matrix column as follows:

- All construction baseline inspection program ITAAC-related inspections will be completed and all ITAAC findings must be closed prior to the 10 CFR 52.103(g) finding. Therefore, no ITAAC findings will be considering as an input to the ROP Action Matrix.
- All open green construction findings, associated NCVs and severity level IV violations will be closed prior to the implementation of the ROP. Therefore, no green construction findings will be considered as an input to the ROP Action Matrix.
- If there is a greater-than-green construction finding identified before the 10 CFR 52.103(g) finding, the staff is required to conduct the supplemental inspection specified in the CAM. If the supplemental inspection is successfully completed prior to the 10 CFR 52.103(g) finding, the staff will close the greater-than-green finding, and the finding will also be considered closed for future assessment purposes under the ROP Action Matrix. However, if the required supplemental inspection is not completed before the 10 CFR 52.103(g) finding, the greater-than-green construction finding will remain open and will be assigned to the ROP cornerstone that is most closely related to the finding. The finding will be considered as an input to the ROP Action Matrix upon initial implementation of the ROP.
- Open cross-cutting issues will remain open for the construction site unless the 10 CFR 52.103(g) finding is for the final unit under construction at the site in which case the cross-cutting issue for the construction site will be considered closed. The evaluation of cross-cutting issues for the operating site will be conducted in accordance with IMC 0305 during subsequent assessments for the operating units.

There are 19 operational programs that require an inspection to be conducted to verify that the respective operational program, as developed, incorporates the key requirements provided in the COL application (e.g., the FSAR) that the NRC staff relied on in making its safety determination during the COL application review. Certain operational programs have implementation milestones that will occur after the 10 CFR 52.103(g) finding. Therefore, the required inspections of the development of these operational programs may be completed after to the 10 CFR 52.103(g) finding, depending on the licensee's readiness for the inspections. Inspection planning will need to take into account the implementation of these and other operational programs as described in Exhibit 5 to IMC 2506. The operational program development findings identified after the 10 CFR 52.103(g) finding will be assigned to the ROP cornerstone most closely related to the finding and the significance of the finding will be considered for determining the appropriate ROP Action Matrix column in accordance with IMC 0305.

Region II will inform the licensee of the planned transition to the ROP and of the NRC's planned level of inspection, assessment, and enforcement. The timing and format of this notification is flexible and can either be a standalone letter or incorporated into the correspondence notifying the licensee of the 10 CFR 52.103(g) finding. Once the 10 CFR 52.103(g) finding has been made for a unit, regulatory oversight for that unit will be transitioned to the ROP, and all ROP cornerstones will be monitored.

10.05 End-of-Cycle Summary Meeting. The end-of-cycle summary meeting is conducted following the conclusion of the end-of-cycle review meetings to summarize the results of the end-of-cycle review with the Director, NRO (or designee), if necessary.

a. Requirements. The end-of-cycle summary meeting is an informational meeting whose purpose is for regional management to engage headquarters management to ensure awareness of:

1. Plants to be discussed at the AARM,
2. Plants with significant performance issues,
3. Plants with open CAM deviations,
4. Plants with CCIs, and
5. Agency actions already taken in response to plant performance.

If any of these criteria are met, the end-of-cycle summary meeting will be scheduled after the completion of all the end-of-cycle review meetings but before the issuance of the annual assessment letters.

b. Preparation. The DCIP assessment program lead will develop an agenda for the end-of-cycle summary meeting with input from Region II. Region II should provide their input to the DCIP assessment program lead three working days prior to the meeting.

c. Conducting the end-of-cycle summary meeting. The DRAC will lead the discussion for Region II. The discussion should:

1. Summarize the results of the end-of-cycle review for those plants whose performance in one or more quarters in the past twelve months has been in Column 3, 4, or 5 of the CAM. The DRAC may discuss plants with performance issues considered to be at the threshold for more significant regulatory action (i.e., at risk of moving to Columns 3 or 4 of the CAM.)
2. Present the results for those plants that Region II considers to have current CCIs that would be included in the annual assessment letter.
3. Discuss any open deviations from the CAM, including their bases and actions required to close.

## 2505-11 PROGRAM REVIEWS

11.01 Agency Action Review Meeting. An AARM is conducted several weeks after issuance of the annual assessment letters. This meeting is attended by appropriate senior NRC managers, is chaired by the Executive Director for Operations (EDO), or designee, and is conducted in accordance with the requirements in Management Directive 8.14, "Agency Action Review Meeting."

11.02 Commission Meeting. The EDO will brief the Commission annually to convey the results of the AARM, including a discussion of any deviations from the CAM. The Commission should be briefed within approximately 4 weeks of the AARM, consistent with Commission availability, to ensure that the information presented is as current as possible.

## 2505-12 PUBLIC STAKEHOLDER INVOLVEMENT

12.01 Scheduling. Involvement of the public in the discussion of the results of the NRC's annual assessment of the licensee's performance can occur in various ways once the annual assessment letters have been issued. Although the security cornerstone is included in the assessment process, the Commission has decided that specific information related to findings pertaining to the security cornerstone will not be publicly available to ensure that security information is not provided to a possible adversary. Therefore, security-related information other than what is publicly available in assessment letters, final significance determination letters, and security inspection report cover letters will not be discussed during public meetings. If security-related information, which is a type of SUNSI, must be discussed during the meeting, it shall be discussed during a closed meeting, or during a closed session following a public meeting. Agency policy regarding SUNSI is provided in Management Directive 12.6.

For plants that have been in Column 3, 4, or 5 of the CAM, involvement of the public in a meeting or some other appropriate venue should be scheduled within 16 weeks of the end of the assessment period. The 16-week guideline may occasionally be exceeded to accommodate the regional office or licensee's schedule. For these plants, public involvement should include a formal public meeting with the licensee if one has not already been held to close out the performance issues.

For plants that have been in Column 1 or 2 of the CAM during the entire assessment period, public stakeholder involvement should be scheduled during the year at a time that presents the best opportunity to effectively engage public stakeholders. Public stakeholder involvement can be a meeting tailored to the public, an open house for the public, poster sessions, virtual meetings, or other similar activities that allow the NRC to effectively engage public stakeholders. Participating in an event sponsored by another organization can be considered if such an event would maximize public engagement.

The region may decide whether the outreach activity should be conducted onsite or in the vicinity of the site. The outreach effort should be scheduled to ensure that it is accessible to members of the public. Two separate venues/events can be considered, such as a public assessment meeting with the licensee and a public event to discuss topics of local interest. In determining what type of event or forum to conduct, the regions should consider, among other things, plant performance, public interest in plant performance, any discussions the regions need to have with the licensee, and any other areas of public interest.

Public stakeholder involvement in the discussion of the results of the NRC's annual assessment of the licensee's performance should be conducted no earlier than one week after the annual assessment letters are issued in order to allow time for the licensee to review the contents of the letter. As applicable and if possible, the annual public meeting to discuss the NRC's assessment of the licensee's construction performance should be coordinated with the ROP-required annual public meeting to discuss the NRC's assessment of co-located operating reactor(s) performance.

#### 12.02 Preparation.

The region shall notify: (1) those on distribution for the annual assessment letters of the opportunity for public involvement in the discussion of the results of the NRC's annual assessment and (2) the media and state and local government officials of the event with the licensee and the issuance of the annual assessment letter.

The region should consider the level of historical interest and performance issues, and should use the following additional tools, as appropriate, to inform members of the public of the event: press releases, advertisements in local newspapers, or letters soliciting attendance and/or interest to known parties.

The regions should also consider:

- a. practice sessions before meetings/events. (Prior to the annual meeting(s), the region should map out a strategy for the public meetings for all the plants in the region and conduct preparation sessions for higher-profile meetings, as needed.)
- b. using the same NRC spokesperson at more than one site to give a consistent message and developing standard responses to repeated questions.

The regions should also consult with the regional public affairs staff in determining the annual assessment meetings and/or events at each site. NRC management, as specified in the CAM and determined by the most significant column that the plant has been in over the assessment cycle, should normally be involved at the event. For plants with heightened stakeholder interest, media inquiry, or contentious issues, the region should consider sending an appropriate level of management needed to respond to stakeholder interest and effectively conduct the meeting. For plants that have been in the Column 3, 4, or 5 of the CAM and a formal public meeting has not been conducted (e.g. regulatory performance meeting after completion of a 90001, 90002, or 90003), a formal public meeting with the licensee is required, at a minimum.

Because security-related information is not discussed in public meetings as outlined in the preceding section, a formal public meeting is not necessary for plants that have been in Column 3, 4 or 5 solely as a result of security issues. These plants may also be required to meet with the Commission depending on the circumstances as discussed in Section 07.02.

12.03 Conduct. The annual involvement of the public in the results of the NRC's assessment of licensee performance is intended to provide an opportunity for the NRC to engage interested stakeholders on the performance of the licensee in constructing the plant and the role of the agency in ensuring the plant is constructed in accordance with the design.

The annual assessment letters provide the minimum performance information that should be conveyed to the licensee in a public meeting, if conducted. However, this does not preclude the presentation of additional plant performance information when placed in the proper context. The licensee should be given the opportunity to respond at the meeting to any information contained in the annual assessment letter.

The licensee should also be given the opportunity to present to the NRC any new or existing programs that are designed to maintain or improve their current performance.

If a meeting is held with a licensee, it will be a Category 1 public meeting in accordance with the Commission's policy on public meetings, with the exception that the meeting must be closed for such portions which may involve matters that should not be publicly disclosed under Section 2.390 of Title 10 of the Code of Federal Regulations (10 CFR 2.390). Members of the public, the press, and government officials from other agencies are considered as observers during the conduct of the meeting. However, attendees should be given the opportunity to ask questions of the NRC representatives after the conclusion of the meeting.

Public involvement in the results of the NRC's assessment of licensee performance should focus on topics of interest to the public. The format for the public involvement should not be limited to a Category 3 type meeting; it could include an open house, round table discussion, or poster board session. For higher-profile events, consideration should include agency or non-agency facilitators.

END

EXHIBITS:

EXHIBIT 1 Reactor Construction Inspection Process Activities  
EXHIBIT 2 Construction Action Matrix

Non-publicly available EXHIBITS 3 – 10 are available on the internal cROP [SharePoint](#) website:

EXHIBIT 3 ~~deleted~~  
EXHIBIT 4 Sample of End-of-Cycle Plant Performance Summary  
~~EXHIBIT 5 deleted~~  
EXHIBIT 6 Sample End-of-Cycle Assessment Letter  
EXHIBIT 7 Sample Assessment Followup Letter  
EXHIBIT 8 Sample Construction Experience Input to Plant Performance Summary  
EXHIBIT 9 Sample Allegations Input to Plant Performance Summary  
EXHIBIT 10 Sample Licensing Input to Plant Performance Summary

ATTACHMENTS:

1. Acronyms
2. Revision History for IMC 2505



EXHIBIT 1 – Reactor Construction Assessment Process Activities

<u>Level of Review</u>	<u>Frequency/ Timing</u>	<u>Participants</u> (* indicates chairperson)	<u>Desired Outcome</u>	<u>Communication</u>
Continuous	Continuous	SRI, RI, regional inspectors, DCIP	Performance awareness	None required, notify licensee by an Assessment Follow-Up letter <u>only</u> if thresholds crossed.
Quarterly	Once per quarter/ Five weeks after end of quarter	DCO: BC*, PE, SRI, RI, DCIP	Input/verify inspection data, detect early trends	Update data set, notify licensee by an Assessment Follow-Up letter <u>only</u> if thresholds crossed.
End-of-Cycle	At end-of-cycle/ Seven weeks after end of assessment cycle	DRAC, DCO DD*, DCO BCs, principal inspectors, DCIP, HQ offices as appropriate.	Assessment of plant performance, oversight and coordination of regional actions	Annual assessment letter with an inspection plan of approximately 6 months.
End-of-Cycle Summary Meeting	The End-of-Cycle Summary Meeting will be scheduled within one week after the completion of the last end-of-cycle review	DIR NRO*, RA or DRAC, DIR DCIP, other HQ offices as appropriate.	Summarize results of the end-of-cycle review	Information to be discussed at Agency Action Review Meeting.
Agency Action Review Meeting	Annually/ Several weeks after issuance of the annual assessment letters	EDO*, Office Directors, Regional Administrators, other senior agency managers as assigned.	Review of the appropriateness of agency actions	Commission briefing, followed by public meetings with individual licensees to discuss assessment results, as appropriate.

EXHIBIT 2 - Construction Action Matrix

	Licensee Response Column (Column 1)	Regulatory Response Column (Column 2)	Degraded Performance Column (Column 3)	Multiple/ Repetitive Degraded Cornerstone Column (Column 4)	Unacceptable Performance Column (Column 5)
RESULTS	All Inspection Findings Green; Cornerstone Objectives Fully Met	One or Two White Findings in a strategic performance area; Cornerstone objectives met with minimal degradation in safety performance	One degraded cornerstone (3 white findings or 1 yellow finding) or any 3 white findings in a strategic performance area; Cornerstone objectives met with moderate degradation in safety performance	Repetitive degraded cornerstone, multiple degraded cornerstones, multiple yellow findings, or 1 red finding; Cornerstone objectives met with longstanding issues or significant degradation in safety performance	Overall unacceptable performance; Construction suspended in the area of concern
RESPONSE	Regulatory Performance Meeting	None	BC or DD Meet with Licensee	RA/DRAC (or Designee) Meet with Senior Licensee Management.	EDO/DEDO (or Designee) Meet with Senior Licensee Management
	Licensee Action	Licensee Corrective Action	Licensee Root cause Evaluation and corrective action with NRC Oversight	Licensee cumulative root cause evaluation with NRC Oversight	Licensee Performance Improvement Plan with NRC Oversight
	NRC Inspection	Risk-Informed Baseline Inspection Program	Baseline and supplemental inspection procedure 90001	Baseline and supplemental inspection procedure 90002	Baseline and supplemental inspection procedure 90003
	Regulatory Actions <sup>1</sup>	None	Supplemental inspection only	Supplemental inspection only  Plant Discussed at AARM if Conditions Met	-10 CFR 2.204 DF1 -10 CFR 50.54(f) Letter - CAL/Order  Plant Discussed at AARM
COMMUNICATION	Assessment Letters	BC or DD review/sign assessment letter (w/ inspection plan)	DD review/sign assessment letter (w/ inspection plan)	DRAC review/sign assessment letter (w/ inspection plan)	RA review/sign assessment letter (w/ inspection plan)
	Public Stakeholders	Various public stakeholder options (see section 12) involving the SRI or BC	Various public stakeholder options (see section 12) involving the BC or DD	RA/DRAC (or Designee) Discuss Performance with Senior Licensee Management	EDO/DEDO (or Designee) Discuss Performance with Senior Licensee Management
	External Stakeholders <sup>2</sup>	None	State Governors	State Governors, DHS, Congress	State Governors, DHS, Congress
	Commission Involvement	None	None	Possible Commission Meeting if Licensee Remains for one and one half years	Commission Meeting with Senior Licensee Management Within 6 mo. <sup>3</sup>
INCREASING SAFETY SIGNIFICANCE →					

<sup>1</sup> Other than the CAL, the regulatory actions for plants in Column 4 are not mandatory NRC actions. However, the regional office should consider each of these regulatory actions when significant new information regarding licensee performance becomes available.

<sup>2</sup> These specific stakeholders shall be notified if a plant is moving to the specified column because of security-related issues.

<sup>3</sup> The timing of the meeting shall be based on a collegial determination by the Commission informed by a recommendation from the EDO, and may exceed the six-month requirement

ATTACHMENT 1 - ACRONYMS

AARM	Agency Action Review Meeting
ADAMS	Agencywide Documents Access and Management System
AV	Apparent Violation
BC	Branch Chief
CIPB	Construction Inspection Program Branch
CAL	Confirmatory Action Letter
CAM	Construction Action Matrix
CAP	Corrective Action Program
CCA	Cross-cutting Aspect
CCI	Cross-cutting Issue
CIP	Construction Inspection Program
CIPIMS	Construction Inspection Program Information Management System
COL	Combined License
cROP	Construction Reactor Oversight Process
CY	Calendar Year
DCIP	Division of Construction Inspection and Operational Programs
DCO	Division of Construction Oversight
DD	Division Director
DEDO	Deputy Executive Director for Operations
DFI	Demand for Information
DIR	Director
DNRL	Division of New Reactor Licensing
DRAC	Deputy Regional Administrator for Construction
EDO	Executive Director for Operations
FIN	Finding
H	Human Performance
HQ	Headquarters
IMC	Inspection Manual Chapter
IP	Inspection Procedure
ITAAC	Inspections, Tests, Analyses, and Acceptance Criteria
NCVs	Noncited Violations
NRC	Nuclear Regulatory Commission
NRO	Office of New Reactors
NSIR	Office of Nuclear Safety and Incident Response
OE	Office of Enforcement
OI	Office of Investigations
P	Problem Identification and Resolution
PE	Project Engineer
QA	Quality Assurance
RA	Regional Administrator
RES	Office of Nuclear Regulatory Research

RI	Resident Inspector
ROP	Reactor Oversight Process
SCWE	Safety Conscious Work Environment
SDP	Significance Determination Process
SRI	Senior Resident Inspector
SUNSI	Sensitive Unclassified Non-Safeguards Information
URIs	Unresolved Items
VIO	Violation

ATTACHMENT 2 - Revision History for IMC 2505

Commitment Tracking Number	Accession Number Issue Date Change Notice	Description of Change	Description of Training Required and Completion Date	Comment Resolution and Closed Feedback Form Accession Number (Pre-Decisional, Non-Public Information)
N/A	10/20/2008 CN 08-029	New Issue to support Licensing under 10CFR52. CNs for the past 4 years was reviewed and no commitments found.	N/A	ML082480657
N/A	12/24/2009 CN 09-032	Modification of CAM and description of CFSI while Commission makes final determination of how should the Assessment Program be implemented.	N/A	ML093170744
N/A	09/09/2010 CN 10-019	Change of terminology to make document more analogous to IMC 0305.	N/A	ML102020150
N/A	ML13149A216 07/15/2013 CN 13-015	IMC revision based on the results of the cROP pilot program.	Yes 6/05/2013	ML13168A560
N/A	ML14269A107 10/15/14 CN 14-024	IMC revision to incorporate the safety culture common language initiative.	N/A	N/A
N/A	ML16253A097 01/06/17 CN 17-001	Revised to implement changes to the SCCI process, henceforth referred to as the CCI process, to include changes to thresholds for cross-cutting themes and guidance on opening and closing CCIs. Revised to change the definition of Degraded Cornerstone (SRM SECY 15-0108, December 2, 2015), to make conforming changes resulting from the revised definition, and to change the title of Column 3 of the Action Matrix. Revised to add assessment requirements prior to the 10CFR52.103(g) finding.	N/A	ML16253A098