

## ASSESSMENT AREA

### OVERVIEW

There were 19 recommendations received pertaining to the Assessment area. The main body to this paper describes the staff's efforts to disposition recommendations that require Commission approval or notification; this attachment does not repeat the discussion on those recommendations. However, an analysis to support the elimination of the minimum four-quarter requirement and to revise the approach to performance indicators, which are discussed in the main paper, is provided in this enclosure. Four recommendations were closed because they are addressed by other U.S. Nuclear Regulatory Commission (NRC) initiatives, and two recommendations require additional evaluation. One recommendation is awaiting industry action. The rest were closed with no staff action.

### DISCUSSION

The staff evaluated each recommendation focusing on the clarity, efficiency, and reliability Principles of Good Regulation. The staff also attempted to improve the risk-informed and performance-based features to the extent possible. Several public meetings were held to engage stakeholders to clarify the recommendations, and to solicit stakeholder feedback on the staff's proposed resolutions. The staff engaged with regional representatives to solicit their input and to solicit other possible options and related potential consequences.

### COMPLETED ACTIONS

#### Nuclear Energy Institute (NEI) Recommendation 2B.6

The staff evaluated Recommendation 2B.6 to redefine the existing labels for White and Yellow inspection findings, which was intended to clarify the communication aspect of the color and eliminate color definition overlap that is confusing and sends a message that there is only a broad understanding of the significance. The staff was unable to locate a documented basis for the qualitative characterizations of the colors' safety significance. Reactor Oversight Process (ROP) governance documents characterize White findings as "low to moderate safety significance." As discussed above, the staff is planning to revise the qualitative descriptions of White and Yellow inspection findings to "low safety significance" and "moderate safety significance," respectively, to address this recommendation. The staff concluded that the change to the characterization of White findings is still consistent with the definition in Inspection Manual Chapter (IMC) 0609, "Significance Determination Process," which states that, "Qualitatively, a White significance indicates an acceptable level of performance by the licensee, but outside the nominal risk range. Cornerstone objectives are met with minimal reduction in safety margin." The staff also concluded that the changes to the characterization of the White and Yellow findings align better with the existing descriptions for Column 2 and Column 3 of the ROP Action Matrix, respectively. In addition, the staff's resolution slightly modified the description for Column 2 from "minimal degradation in safety performance" to "low impact on overall safety performance."

This change did not affect the existing quantitative risk thresholds for White or Yellow findings. This change is aligned with the clarity principle of good regulation. Consistent with the guidance in IMC 0308, Attachment 3, "Significance Determination Process Technical Basis Document," the significance determination process color scheme is intended to be independent from other NRC processes. However, this change was coordinated with other agency programs to avoid

any considerable conflicts. The staff notified the Commission of this change in a Commissioner Assistants Note dated April 2, 2019 (Agencywide Documents Access and Management System Accession No. ML19029A704). This recommendation is closed, and the staff will incorporate the necessary document revisions if the Commission approves a revision to the Enforcement Policy to make conforming changes to that document.

#### NEI Recommendation 2A

This recommendation suggested that the NRC discontinue issuing press releases for White inspection findings. It stated that White findings should be treated as normal variations in licensee performance. The staff worked with the Office of Public Affairs (OPA) to evaluate this recommendation and concluded that existing guidance for issuing press releases was not being applied consistently in all cases. The current guidance states that press releases would not normally be issued for a White inspection finding unless certain other conditions applied. OPA and the staff has resolved this issue by reinforcing existing guidance before issuing press releases for White inspection findings.

The staff will monitor the issuance of future press releases to ensure the guidance is followed. This action is consistent with the clarity and reliability Principles of Good Regulation. This recommendation is closed.

### **RECOMMENDATIONS REQUIRING ADDITIONAL EVALUATION**

#### NEI Recommendation 4D

This recommendation is an industry action to standardize issue escalation practices. The industry recognizes a need to develop a process that formalizes the escalation of issues resulting from industry communications on inspection results and conclusions. The industry has not yet begun this effort.

#### Staff Response

The Inspection Finding Review Board, part of the significance determination process (SDP), is expected to enhance communications from the NRC and licensee for safety-significant inspection findings. The staff will continue to discuss the status of this recommendation at periodic ROP public meetings and engage industry stakeholders when appropriate.

#### Transformation Initiative Recommendation 248

This recommendation stated that the ROP is more reactive than forward-looking. It further stated that the staff should be looking for leading indicators to assess licensee performance.

#### Staff Response

The staff is still evaluating this recommendation for further action. The ROP is performance-based, which by its nature is reactive, and not predictive. If the staff accepts the recommendation, additional enhancements may be identified some time in calendar year (CY) 2020.

### Transformation Initiative Recommendation 338

This recommendation stated that the staff should consider eliminating the cross-cutting aspect tool, which, in its current form, adds very little value with respect to the mission, and requires a significant resource effort. It further states that there could also be additional agency documentation resource savings by referring to the licensee's corrective action document associated with the non-escalated violations or findings.

#### Staff Response

The staff will be conducting an effectiveness review of the cross-cutting issues process in CY 2019. The staff will recommend appropriate changes to the process depending on the results of the effectiveness review.

### Transformation Initiative Recommendation 430

This recommendation states that the staff should apply risk insights to determine if low-significance findings would result in meaningful improvements to safety. It states that the SDP should be used to determine safety significance of more serious findings. The staff should determine if correction of a finding that screens to very low significance (Green) would have an appreciable impact improving safety. If not, then the finding should not be issued, or there should be an alternate path to be considered "minor."

#### Staff Response

The staff is keeping this recommendation open for further evaluation.

## **PARTIALLY ACCEPTED RECOMMENDATION**

### NEI Recommendation 2B.1

This recommendation suggested that Columns 1 and 2 of the Action Matrix be combined into one column called "Nominal Plant Operation." According to NEI, column changes would only occur for Yellow or Red findings to eliminate the aggregation of White findings and to allow the licensee's corrective action program to work as designed in support of nominal plant operation.

Although this recommendation is consistent with the overall theme from several recommendations that the NRC's response to White inspection findings is at times not commensurate with the actual safety significance of the findings, the staff concluded that, because risk thresholds are not being changed, a clear distinction is needed between a licensee that has all Green Action Matrix inputs and one that has one or more White inputs.

This recommendation also suggested, in part, that the NRC should consider eliminating mandatory outreach to State Governors for Column 2 performance. The staff agrees that mandatory outreach to State Governors for all Column 2 plants should not normally be necessary. However, given the wide range of performance that may be represented by plants in Column 2 and the level of interest in licensee performance by State governments, the option for such engagement may still be appropriate. The staff is recommending a revision to provide flexibility in notifying State and local counterparts when a licensee transitions to Column 2; however, this would not be a requirement and would not require direct notification of the Governor. The Column 2 outreach to external stakeholders would be revised from the current

“State Governors” to “outreach to State, local, and Tribal officials based on established protocols.”

As a general response to the proposed Action Matrix changes and to the discussion at public meetings about the perception of Column 2 performance, the staff is making the changes to the descriptions of the Action Matrix columns described in the table below.

Column	Existing Language	Proposed Language
Column 1	All assessment inputs (performance indicators and inspection findings) Green Cornerstone objectives fully met	All Green assessment inputs Cornerstone objectives fully met
Column 2	One or two White inputs in a strategic performance area Cornerstone objectives met with minimal degradation in safety performance	One or two White assessment inputs in a strategic performance area Cornerstone objectives met with low impact on overall safety performance
Column 3	One degraded cornerstone (three or more White inputs or one Yellow input) or three White inputs in any strategic performance area Cornerstone objectives met with moderate degradation in safety performance	One degraded cornerstone (three or more White inputs or one Yellow input) or three White inputs in any strategic performance area Cornerstone objectives met with moderate impact on overall safety performance
Column 4	Repetitive degraded cornerstone, multiple degraded cornerstones, multiple Yellow inputs, or one Red input Cornerstone objectives met with longstanding issues or significant degradation in safety performance	Repetitive degraded cornerstone, multiple degraded cornerstones, multiple Yellow inputs, or one Red input Cornerstone objectives met with longstanding uncorrected issues or a significant impact on overall safety performance
Column 5	Overall unacceptable performance Plants not permitted to operate within this band Unacceptable margin to safety	Overall unacceptable performance Plants not permitted to operate within this band Unacceptable impact on overall safety performance
IMC 0350	Plants in a shutdown condition with performance problems are placed in the IMC 0350 process	No change

The staff plans to include the wording changes described above as a new row to the Action Matrix display on the NRC’s public Web site (<https://www.nrc.gov/reactors/operating/oversight/actionmatrix-summary.html>) to more clearly communicate the level of performance represented by each column.