

JUL 15 1981

MEMORANDUM FOR: Harold R. Denton, Director, NRR  
Robert B. Minogue, Director, RES  
Victor Stello, Jr., Director, IE  
Howard K. Shapar, Director, ELD

FROM: Carlyle Michelson, Director  
Office for Analysis and Evaluation  
of Operational Data

SUBJECT: INTEGRATED OPERATIONAL EXPERIENCE REPORTING SYSTEM

As discussed in my memo dated July 10, 1981, INPO will assume responsibility for the management, funding, and technical direction of NRPDS; and for the evaluation of utility participation in NRPDS as part of the INPO plant audit program. Because of these actions and commitments, there is reasonable confidence that NRPDS will provide the reliability data needed by the NRC. Consequently, we are recommending to the Commission that the collection of reliability data not be made mandatory at this time. Instead, we believe that we should proceed only to modify and codify the existing LER requirements as part of a separate rulemaking.

Your concurrence is requested on the enclosed Commission Paper which recommends this course of action. Since the Commission attached a high importance to this activity and emphasized their desire that the IOERS proposed rule be completed by June 30, 1981, your concurrence on the enclosed paper is requested no later than July 22, 1981.

If you have any questions or comments concerning this matter, please call me, Jack Heltemes (x29560), or Fred Hebdon (x24730).

Original Signed by  
Carlyle Michelson

Carlyle Michelson, Director  
Office for Analysis and Evaluation  
of Operational Data

Enclosure:  
As Stated

cc w/enclosure  
RBernero, RES  
RDennig, RES  
TDorian, ELD  
EJordan, IE  
Tiburley, NRR

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PDR XA  
8108240273

For: - The Commissioners

From: William J. Dircks  
Executive Director for Operations

Subject: INTEGRATED OPERATIONAL EXPERIENCE REPORTING SYSTEM

Purpose: This paper seeks Commission approval of a Federal Register Notice (Enclosure 1). The notice informs the public of the following staff actions:

- (1) Defer rulemaking that would establish the Integrated Operational Experience Reporting System (IOERS);
- (2) Develop for Commission review and approval a proposed rule to modify and codify the existing Licensee Event Report (LER) reporting requirements and to assure consistency with 10 CFR 50.72 which covers the immediate reporting of significant events;
- (3) Endorse the Institute of Nuclear Power Operations (INPO) plan to assume responsibility for the management, funding, and technical direction of the Nuclear Plant Reliability Data System (NPRDS); and
- (4) Encourage INPO to assure that the NPRDS receives, processes, and disseminates the reliability data needed by industry and the NRC to support probabilistic risk and reliability assessment programs. -

Issue: Whether management of NPRDS by INPO will produce the changes needed to make NPRDS an adequate source of reliability data for the NRC probabilistic risk and reliability assessment program.

Background:

In December 1980 the Commission agreed that the reporting of operational experience data needed major revision and approved the development of the IOER System. The IOER System would combine, modify, and make mandatory the existing Licensee Event Report system and the NPRD System. SECY 80-507 discusses the IOER system and relevant facts concerning the reporting of operational data.

As a result of the Commission approval of the concept of an IOER System, an Advanced Notice of Proposed Rulemaking (ANPRM) was published in the Federal Register on January 15, 1981 (46 FR 3541). That ANPRM explained why the NRC needed operational experience data, and described the deficiencies in the existing LER and NPRD systems.

To facilitate the development of the IOERS proposed rule and supporting documents, including the Statement of Consideration, Regulatory Guide, Value-Impact Assessment, and Federal Register Notice: the staff formed a Task Group which included representatives from AEOD, RES, NRR, IE, and ELD. Based on its understanding of the needs of the various offices, the Task Group prepared a draft proposed rule which has been reviewed by involved NRC offices.

Discussion:

The accident at TMI focused attention on the importance of an effective understanding and feedback of operating experience. Studies of the TMI accident (e.g., Rogovin, Kemeny) emphasized the importance of collecting and evaluating operational experience. In addition, other studies, particularly a study by the ACRS (NUREG-0572, Review of Licensee Event Reports), identified weaknesses in the existing program and recommended corrective actions.

Accordingly, the staff considered a number of options for obtaining the needed improvements in the reporting of operational experience data, particularly the reporting of reliability data. For example, in June 1980 the staff explored the possibility of INPO assuming responsibility for the management and technical direction of NPRDS. Although INPO appeared interested in this option, they indicated an inability to assume

responsibility for this activity or predict when it might be possible because INPO was still in the process of being established and staffed. Based on its assessment of the available options, the staff concluded that the only viable option that would bring about the required and timely improvements in the receipt of operational data was the development of IOERS.

Thus, the IOERS concept included two principal features: (1) the collection of detailed technical descriptions of significant events; and (2) the collection of component reliability data.

While we still believe that both types of data are essential to the NRC mission, recent events indicate that the NRC may now be able to obtain the needed reliability data without assuming direct responsibility for its collection. On June 8, 1981 the INPO Board of Directors decided that because of its role as an active user of NPRDS data (Enclosure 2), INPO will assume responsibility for management and funding of NPRDS. Further, INPO has developed criteria that will be used in their management audits of member utilities to assess the adequacy of NPRDS participation.

The two principal deficiencies that had previously made NPRDS an inadequate source of reliability data were the inability of a committee management structure to provide the necessary technical direction; and a low level of participation by utilities.

The recent commitments and action by INPO provide a basis for confidence that these two deficiencies will be corrected. For example, centralizing the management and funding of NPRDS within INPO should overcome the previous difficulties associated with management by a committee and funding from several independent organizations. Further, with INPO focusing upon a utility's participation in NPRDS as a specific evaluation parameter during routine management and plant audit activities, the level of utility participation, and therefore, the quality and quantity of NPRDS data, should significantly increase. Therefore, rather than pre-empt the INPO activities by proceeding with the IOERS rulemaking, the staff believes it is appropriate at this time to

proceed only to modify and codify the existing LER reporting requirements as a separate rulemaking and to hold the IOERS rulemaking in abeyance. If in the future it becomes clear that the essential NRC needs for reliability data are not forthcoming from NPRDS, the staff would provide specific recommendations at that time. These recommendations could include resumption of the IOERS rulemaking to make the reporting of reliability data mandatory.

In summary, since there is a reasonable likelihood that NPRDS under INPO direction can meet the NRC's need for reliability data in the future, there is no longer a need to proceed with the IOERS in order to collect reliability data. Consequently, the collection of detailed technical descriptions of significant events can proceed as a separate rulemaking to modify and codify the existing LER reporting requirements and to assure consistency with 10 CFR 50.72 covering the immediate notification of significant events.

Recommendations:

That the Commission:

- (1) Approve the Federal Register Notice (Enclosure 1), associated Congressional letters (Enclosure 3), and press release (Enclosure 4). The notice endorses the following staff actions:
  - (a) Defer rulemaking that would establish the Integrated Operational Experience Reporting System;
  - (b) Develop for Commission review and approval a proposed rule to modify and codify the existing LER reporting requirements;
  - (c) Endorse INPO plans to assume responsibility for the management, funding, and technical direction of NPRDS; and
  - (d) Encourage INPO to assure that NPRDS receives, processes, and disseminates the reliability data needed to support probabilistic risk and reliability assessment programs.



(2) Note that upon approval by the Commission of the recommendations:

- (a) The staff will develop for Commission review and approval a proposed rule that will modify and codify the existing LER reporting requirements. The staff estimates a draft proposed rule can be developed by November 1, 1981. Allowing three months for office level review and ACRS review, we expect to forward the proposed rule to the Commission by February 1, 1982.
- (b) Following Commission approval and an appropriate public comment period on the proposed rule, a final rule will be prepared and forwarded to the Commission for review and approval. Submission of the final rule to the Commission is planned for eight months after issuance of the proposed rule.
- (c) Prior to forwarding the final rule to the Commission, the staff will obtain OMB approval for the revised reporting requirements.
- (d) The staff will assist INPO in the development of an effective NPRD System by participating in a planned NPRDS advisory committee.
- (e) Anticipated staff resources required to develop a proposed rule covering revised LER requirements.

One staffyear in-house (dedicated persons from AEOD, RES, and NRR).

Seven months elapsed time.-

No program support funds.

Although licensee input will be sought during the preparation of the proposed rule, the extent of licensee resource commitment during this first stage will be small and strictly voluntary. Later, if the NRC proceeds past the proposed rule, resource commitments by the NRC and the licensee will not be voluntary. It is proposed that these resources be no higher than are presently being committed by licensees and the NRC to the existing LER system. A discussion of resources needs will accompany the proposed rule when it is submitted to the Commission for approval.

Sunshine Act: Recommend affirmation at an open meeting.

William J. Dircks  
Executive Director for Operations

Enclosures:

1. Proposed Federal Register  
Notice
2. INPO Letter
3. Draft Congressional Letter
4. Draft Public Announcement

AEOD  
FJHeddon:gt  
7/15/81

OFFICE	AEOD	AEOD	NRR	IE	RES	ELD	EDO
NAME	CHeltemes	CMichelson	HDenton	VStella	RMinogue	HShapar	
DATE	7/15/81	7/15/81	7/ /81	7/ /81	7/ /81	7/ /81	7/ /81

NUCLEAR REGULATORY COMMISSION  
10 CFR Part 50  
Integrated Operational Experience Reporting System

AGENCY: Nuclear Regulatory Commission

ACTION: Advanced Notice of Proposed Rulemaking

SUMMARY: Because the Institute for Nuclear Power Operations (INPO) will assume responsibility for management of the Nuclear Plant Reliability Data System (NPRDS), the NRC has decided to defer rulemaking that would have established the Integrated Operational Experience Reporting System (IOERS). The NRC plans instead to develop for Commission review and approval a proposed rule to modify and codify the existing Licensee Event Report (LER) reporting requirements and to assure consistency of those requirements with 10 CFR Section 50.72 which covers the immediate reporting of significant events. The NRC is seeking general comments on the scope and content of LER reporting requirements, particularly in light of anticipated improvements in the NPRDS.

DATES: Comments received after (45 days after publication in the Federal Register) will be considered if it is practical to do so, but assurance of consideration cannot be given except as to comments filed on or before (45 days after publication in the Federal Register). -

ADDRESS: General comments may be sent to: Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555. ATTN: Docketing and Services Branch.

FOR FURTHER INFORMATION CONTACT: Frederick J. Hebdon (301/492-4730)

Enclosure 1



## SUPPLEMENTARY INFORMATION:

### Background

In December 1980 the Commission agreed that the reporting of operational experience data needed major revision and approved the development of the IOER System. The IOER System would have combined, modified, and made mandatory the existing Licensee Event Report system and the NPRD System. SECY 80-507<sup>1/</sup> discusses the IOER System and relevant facts concerning the reporting of operational data.

As a result of the Commission approval of the concept of an IOER System, an Advanced Notice of Proposed Rulemaking (ANPRM) was published in the Federal Register on January 15, 1981 (46 FR 3541).<sup>1/</sup> That ANPRM explained why the NRC needed operational experience data, and described the deficiencies in the existing LER and NPRD systems.

### Discussion

The accident at TMI focused attention on the importance of an effective understanding and feedback of operating experience. Studies of the TMI accident (e.g., Rogovin, Kemeny) emphasized the importance of collecting and evaluating operational experience. In addition, other studies, particularly a study by the ACRS (NUREG-0572, Review of Licensee Event Reports),<sup>1/</sup> identified weaknesses in the existing program and recommended corrective actions.

Accordingly, the staff considered a number of options for obtaining the needed improvements in the reporting of operational experience data, particularly the reporting of reliability data. For example, in June 1980 the staff

explored the possibility of INPO assuming responsibility for the management and technical direction of NPRDS. Although INPO appeared interested in this option, they indicated an inability to assume responsibility for this activity or predict when it might be possible because INPO was still in the process of being established and staffed. Based on its assessment of the available options, the staff concluded that the only viable option that would bring about the required and timely improvements in the receipt of operational data was the development of IOERS.

Thus, the IOERS concept included two principal features: (1) the collection of detailed technical descriptions of significant events; and (2) the collection of component reliability data.

While the staff still believe that both types of data are essential to the NRC mission, recent events indicate that the NRC may now be able to obtain the needed reliability data without assuming direct responsibility for its collection. On June 8, 1981 the INPO Board of Directors decided that because of its role as an active user of NPRDS data, INPO will assume responsibility for management and funding of NPRDS. Further, INPO has developed criteria that will be used in their management audits of member utilities to assess the adequacy of NPRDS participation.

The two principal deficiencies that had previously made NPRDS an inadequate source of reliability data were the inability of a committee management structure to provide the necessary technical direction; and a low level of participation by utilities.

The recent commitments and action by INPO provide a basis for confidence that these two deficiencies will be corrected. For example, centralizing the management and funding of NPRDS within INPO should overcome the previous difficulties associated with management by a committee and funding from several independent organizations. Further, with INPO focusing upon a utility's participation in NPRDS as a specific evaluation parameter during routine management and plant audit activities, the level of utility participation, and therefore, the quality and quantity of NPRDS data, should significantly increase. Therefore, rather than pre-empt the INPO activities by proceeding with the IOERS rulemaking, the staff believes it is appropriate at this time to proceed only to modify and codify the existing LER reporting requirements as a separate rulemaking and to hold the IOERS rulemaking in abeyance. If in the future it becomes clear that the essential NRC needs for reliability data are not forthcoming from NPRDS, the staff would provide specific recommendations at that time. These recommendations could include resumption of the IOERS rulemaking to make the reporting of reliability data mandatory.

In summary, since there is a reasonable likelihood that NPRDS under INPO direction can meet the NRC's need for reliability data in the future, there is no longer a need to proceed with the IOERS in order to collect reliability data. Consequently, the collection of detailed technical descriptions of significant events can proceed as a separate rulemaking to modify and codify the existing LER reporting requirements<sup>2/</sup> and to assure consistency with 10 CFR 50.72<sup>3/</sup> which covers the immediate reporting of significant events.

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<sup>2/</sup> Described in NRC Regulatory Guide 1.16, "Reporting of Operating Information -- Appendix A Technical Specifications," and NUREG-0161, "Instructions for Preparing Licensee Event Reports," available from the U.S. Nuclear Regulatory Commission, Washington, DC 20555.

<sup>3/</sup> Copies are available from the U.S. Nuclear Regulatory Commission, Washington, DC 20555.