



RELEASED TO THE PDR  
9/13/90  
date initials

**POLICY ISSUE**  
**(Notation Vote)**

July 2, 1990

SECY-90-235

For: The Commissioners  
From: James M. Taylor  
Executive Director for Operations  
Subject: NRC RECOGNITION OF GOOD PERFORMANCE BY POWER REACTOR LICENSEES

Purpose: To obtain Commission approval of a pilot program for recognizing good performance by power reactor licensees.

Summary: In response to a Commission request (COMFR-90-002), the staff has developed a proposed pilot program to recognize good performance by power reactor licensees. The proposed pilot program would recognize good performance by power reactor licensees as identified by the Systematic Assessment of Licensee Performance (SALP) and the Senior Management Meeting (SMM) process. The NRC would issue a special letter of recognition and, for plants identified through the SALP process, the appropriate regional administrator could extend the SALP cycle from 18 to 24 months. After a two year trial period, the Commission would decide on the merits of continuing the recognition program.

Additionally, a separate proposed pilot program would recognize good performance at facilities that receive two successive satisfactory ratings of the operator license renewal program. Upon completion of this pilot program, the staff would make recommendations to the Commission concerning rulemaking to permanently effect a change to allow operators to renew their licenses under requalification examinations that the NRC audits.

Background: By memorandum of March 29, 1990, the Commission asked the staff to develop a pilot program for Commission consideration that will provide positive reinforcement of NRC regulatory activities by recognizing outstanding industry safety performance, both by individuals and through specific programs.

In developing the proposed pilot program, the staff incorporated current NRC programs, such as SALP, to minimize the

Contact:  
J. Sharkey, NRR  
X21025

NOTE: TO BE MADE PUBLICLY AVAILABLE WHEN THE FINAL SRM IS MADE AVAILABLE

9007060260 10pp XA

DF02  
1/1

effect of a new program on NRC resources. As directed by the Commission, the proposed pilot program will recognize the past proven safety performance of a facility and its personnel as a whole, or in a specific area. The proposed program will reinforce the Commission's emphasis on competence, pride, and professionalism by the industry and thereby improve safety.

Discussion:

The staff proposes a program that recognizes individuals and licensee programs that have made contributions to safety which are verifiable in existing documentation (Licensee Event Report [LERs], inspection reports and plant records). Generally, the NRC would recognize such a contribution by providing a public letter to the licensee. The proposed program is based on the following existing programs: (a) SALP program, (b) Senior Management Meetings (SMMs) and, (c) operator licensing program. Recognition by the NRC through transmittal of a special letter would be for (1) sustained superior overall SALP ratings, or (2) sustained outstanding safety performance as identified by the NRC Senior Management Meeting. The staff is also considering a proposed rule change that would recognize, by reducing regulatory requirements, licensee requalification programs that the NRC has determined to be satisfactory for two consecutive evaluation periods.

EXISTING PROGRAMS THAT RECOGNIZE PROVEN SUSTAINED SAFETY PERFORMANCE

A. SALP

In the SALP program, the staff recognizes the past proven superior safety performance of a facility in a particular functional area by assigning a Category 1 rating. A Category 1 rating in a functional area provides incentive to continue superior plant operation by (1) formally recognizing superior safety performance in that functional area and (2) reducing the inspection program requirements for that functional area, which should diminish the burden placed on the licensee's staff.

B. Senior Management Meeting

As part of the evaluation of licensee performance conducted for Senior Management Meetings, the staff identifies those licensees with sustained outstanding safety performance. For these licensees, the NRC provides public recognition and reduced inspection activity.

POTENTIAL ENHANCEMENTS TO EXISTING PROGRAMS

A. SALP

Proposal: Recognize a licensee's sustained superior performance over two evaluation periods by issuing a formal letter from the Director, Office of Nuclear Reactor Regulation. This recognition would be given in addition to the SALP report and cover letter. In addition, the appropriate regional administrator, with the concurrence of the Director, Office of Nuclear Reactor Regulation, may authorize extension of the SALP cycle from 18 to 24 months for these licensees. Candidates for this recognition would have demonstrated past superior safety performance by the receipt of a Category 1 rating in Plant Operations and Category 1 ratings in at least three out of four of the following functional areas over two successive SALP cycles: Maintenance/Surveillance, Radiological Controls, Engineering /Technical Support, and Safety Assessment/Quality Verification. Any functional area rated Category 3 would preclude consideration under this program.

How Motivation Is Provided: The NRC would give special recognition to an outstanding performer by issuing an NRC letter of recognition and by extending the SALP cycle.

Advantage: Sends a clear message to the industry on the level of performance the agency views as outstanding.

Disadvantages: Could be detrimental to safety in that external organizations may view proposed costs associated with safety system modifications, plant improvements or organizational enhancements as unnecessary expenditures at plants that the NRC considers to be outstanding.

Nomination of Candidates: As part of the existing SALP evaluation process, the SALP Board would consider the licensee's previous performance ratings in supporting this program. If the SALP Board concluded that the licensee demonstrated sustained superior performance in at least four of the previously mentioned functional areas and warranted special recognition by the NRC, the regional administrator could recommend that the NRC issue a superior performance recognition letter.

Resource Requirements: The SALP Board could consider the recommendation for a recognition letter after the Board has determined the licensee's performance ratings. This process would require little additional time.

B. Senior Management Meeting

Proposal: For those plants that are identified during the Senior Management Meeting as exhibiting sustained outstanding safety performance, a formal letter of recognition would be issued to the licensee by the Executive Director for Operations.

At the January 1990 Senior Management Meeting, four facilities (Callaway, Kewaunee, Prairie Island 1 and 2, and Yankee Rowe) were identified as having sustained outstanding safety performance. These licensees exhibit some common attributes that indicate a strong commitment to the safe operation of the plant as well as management ownership of and responsibility for safe operations. These licensee typically demonstrate an active involvement of corporate management in day-to-day activities; an active program for the self-identification of problems and self-initiated improvement programs; good communications between and within plant and corporate staffs; effective maintenance and house-keeping programs; and effective training programs, especially in operations and maintenance.

How Motivation is Provided: Through special recognition by the NRC as an outstanding safety performer.

Advantages: Uses an existing program that specifically focuses on plants with sustained outstanding safety performance and provides a formal letter of recognition to licensees that are striving to achieve operational excellence.

Disadvantages: Could be detrimental to safety in that external organizations may view proposed costs associated with safety system modifications, plant improvements or organizational enhancements as unnecessary expenditures at plants that the NRC considers to be outstanding.

Nomination of Candidates: Adds a step to the existing process for SMM identification of plants with sustained outstanding safety performance.

Resource Requirements: The additional time required to develop the recognition letter issued by the EDO would be small.

C. Operator License Requalification Program

Proposal: Reduce regulatory requirements for licensees whose operator requalification programs have maintained satisfactory program evaluations as determined by the NRC for two consecutive evaluation periods.

Each licensee operator licensing requalification program receives an NRC evaluation at least once every two years. The current operator requalification program evaluations require extensive NRC participation during the development and administration of requalification examinations until the program is found satisfactory. Once a program is found to be satisfactory, the NRC reduces the ratio of examiners to operators from one-on-one to one-on-two, as described in SECY 89-055. The program using this benefit for good performers is currently being implemented and is showing positive results.

The proposal may further reduce participation by the NRC in the requalification examination process for those licensees who had programs that the NRC determined to be satisfactory for two consecutive evaluation periods. For such licensees, the NRC would allow operators to renew their licenses under requalification examinations that the NRC audits.

Implementation of this proposal would require relief from the requirement of 10 CFR 55.57(b)(2)(iv) for an NRC-administered examination for license renewal. The relief could be provided by either an exemption pursuant to §55.11 or by a rule change. To evaluate this proposal, the staff would conduct a pilot program for a limited number of utilities that meet the criterion. Exemptions to 10 CFR 55.57(b)(2)(iv) could be granted for the purpose of the pilot program. Upon completion of the pilot program, the staff would make recommendations to the Commission concerning whether the program should be made permanent through rulemaking.

How Motivation Is Provided: Through reduced regulatory involvement in the operator requalification examination process.

Advantage: Identifies licensees that have sustained satisfactory operator requalification programs. This proposal would eventually reduce the NRC resources used for administration of requalification programs.

Disadvantage: May require a rule change or exemption from the current rule to conduct an alternative approach to present operator requalification practices.

Nomination of Candidates: A licensee that receives two successive satisfactory NRC evaluations of the operator requalification program would be subject to NRC audits of the licensee's requalification program.

Resource Requirements: This modification of the operator requalification program would eventually reduce the NRC resources used for the administration of requalification programs.

#### D. Operator License Certificate Program

Proposal: Recognize outstanding initial and requalification operator license applicants that achieve an outstanding score (e.g., above 95 percent) on their written examinations. This recognition would be stated within the individual's operator license.

How Motivation Is Provided: Recognizes the demonstration of an individual's superior level of knowledge in the operation of nuclear reactors. Enhances self-esteem, provides positive reinforcement, and increases standing among peers.

Advantages: Establishes a category of achievement that distinguishes superior achievement and is based on the existing operator license program.

Disadvantages: May unfairly recognize good test takers who may not excel as operators. The written examination is the only section of the examination with a numerical value and does not evaluate the skills and abilities examined in the operating (simulator) examination. In addition, this proposal could create the appearance that the NRC was sanctioning two different levels of operator certification, when the NRC's regulatory rule is to ensure all licensed operators are properly qualified to safely operate the plant. Recognition of individual employee performance is typically a

licensee function. Formal recognition by the NRC of select license applicants could be perceived by some external organizations as a promotional endeavor.

Nomination of Candidates: Any candidate that scored above 95 percent on the initial or requalification examination would be recognized for superior knowledge of reactor plant theory.

Resource Requirements: The resource requirement would depend on the number of licenses awarded.

#### E. Individual Contributions to Safety

Proposal: If an augmented inspection team (AIT) or an incident investigation team (IIT) identifies a significant contribution to overall plant safety, the NRC could publicly recognize the contribution to safety of the individual or specific plant program by issuing an official letter signed by the Executive Director for Operations; Director, Office of Nuclear Reactor Regulation; or appropriate regional administrator. For example, during the June 9, 1985, loss-of-feedwater event at Davis-Besse, the assistant shift supervisor promptly started the non-safety-related startup feedwater pump from outside the control room to provide cooling water to the steam generators when no safety-related pumps were available. This individual's quick thinking and safety awareness minimized the potential consequences of the event.

How Motivation Is Provided: By recognizing the superior performance of an individual, the NRC could increase that person's self-esteem and standing among peers, and emphasize the importance of individual accountability and excellence to the industry. For a plant program, the NRC could give special recognition to a superior program by issuing a separate letter to the licensee listing the reasons that the agency viewed the performance as noteworthy.

Advantages: The recognition would be based on data supported by the inspection process. Minimal resources would be required to nominate an individual or program that contributed significantly to plant safety.

Disadvantages: The contribution of the individual may be overshadowed by the seriousness of the initiating event and send mixed signals to the industry in that the NRC should

emphasize the need to avoid events; not the efforts performed to recover from them. The recognition of individual employee performance is a licensee option.

Nomination of Candidates: During an AIT or IIT inspection, if the team determined that the actions of an individual or group of individuals, or the effectiveness of a plant program, made an outstanding contribution to plant safety, the team leader could recommend the people or program for special recognition.

Resource Requirements: During the inspection, the AIT or IIT could routinely identify key contributors to safety. Consequently, the proposal would have a small effect on the existing program requiring the team to submit the recommendation based on details identified and documented during the inspection process.

Recommendation: The staff recommends that the Commission approve a pilot program to recognize those licensees that receive successive SALP Category 1 ratings over two evaluation periods as described in proposal A previously and those licensees that are recognized as outstanding performers at Senior Management Meetings as described in proposal B.

The staff also recommends Commission approval of a pilot program under exemptions from the requirements of §55.57(b)(2)(iv) that recognizes good performance for those licensees that receive two successive satisfactory ratings for operator license renewal programs as described in proposal C. The staff will initiate the pilot program upon the satisfactory completion of the first round of requalification program evaluations for each facility. Upon completion of the pilot program, the staff would make recommendations concerning whether rulemaking to codify this program is appropriate.

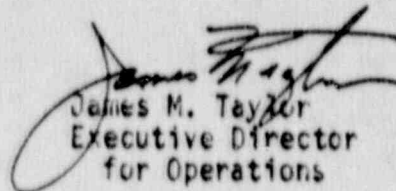
The staff recommends that the Commission not approve either recognizing performance for the individual operator license certification program as described in proposal D or special contributions to safety through an inspection by an AIT or IIT as described in proposal E.

The staff recommends that the Commission adopt the pilot program of the NRC to recognize good performance by power reactor licensees for a trial period of two years. During



the trial period, the success of the program can be judged by the reaction of the industry to the program and the effect on agency resources. At the end of the trial program, the Commission could decide on the merits of continuing the program.

Coordination: The Office of the General Counsel has no legal objection to the contents of this paper.

  
James M. Taylor  
Executive Director  
for Operations

Commissioners' comments or consent should be provided directly to the Office of the Secretary by COB Tuesday, July 17, 1990.

Commission Staff Office comments, if any, should be submitted to the Commissioners NLT Tuesday, July 10, 1990, with an information copy to the Office of the Secretary. If the paper is of such a nature that it requires additional review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

DISTRIBUTION:  
Commissioners  
OGC  
OIG  
LSSA  
GPA  
REGIONAL OFFICES  
EDO  
ACRS  
ACNW  
ASLEP  
ASLAP

★ ★ ★ ★ ★ ★ ★

TRANSMITTAL TO: X Document Control Desk, P1-24

ADVANCE COPY TO: \_\_\_\_\_ Public Document Room\*

DATE: 9/13/90

FROM: SECY, Operations Branch *LM*

Attached are copies of SECY papers and related documents. They are being forwarded for entry on the Daily Accession List and placement in the Public Document Room. No other distribution is requested or required.

- |  |                          |
|--|--------------------------|
| 1. <u>Secy - 90-235</u><br><u>rem on 90-235</u>        | 11. <u>Secy - 90-296</u> |
| 2. <u>att 8/23/90</u><br><u>Com. Rogers' note</u>      | 12. <u>" 90-298</u>      |
| 3. <u>sheet on 90-235</u><br><u>Com. Curtis' note</u>  | 13. <u>" 90-302</u>      |
| 4. <u>sheet on 90-235</u><br><u>Com. Remick's note</u> | 14. <u>" 90-303</u>      |
| 5. <u>sheet on 90-235</u>                              | 15. <u>" 90-304</u>      |
| 6. <u>Secy - 90-286</u>                                | 16. <u>" 90-308</u>      |
| 7. <u>" 90-290</u>                                     | 17. _____                |
| 8. <u>" 90-291</u>                                     | 18. _____                |
| 9. <u>" 90-293</u>                                     | 19. _____                |
| 10. <u>" 90-295</u>                                    | 20. _____                |

1000

\* PDR is advanced two copies of each SECY paper and one copy of each related document.

★ ★ ★ ★ ★ ★ ★