

NOTATION VOTE

RESPONSE SHEET

RELEASED TO THE PDR

10/19/90
date

initials

TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

FROM: COMMISSIONER CURTISS

SUBJECT: SECY-90-288 - POLICY STATEMENT ON ECONOMIC PERFORMANCE INCENTIVE REGULATION AND ASSOCIATED MONITORING ACTIVITIES

APPROVED ^x w/comments DISAPPROVED _____ ABSTAIN _____

NOT PARTICIPATING _____ REQUEST DISCUSSION _____

COMMENTS:

See attached comments.

James R. Utter

SIGNATURE

9/27/90

DATE

RELEASE VOTE

WITHHOLD VOTE

ENTERED ON "AS" YES No _____

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PDR COMMS NRCC
CORRESPONDENCE PDC

several major concerns. First, the NRC's Systematic Assessment of Licensee Performance (SALP) was developed to assist the NRC in assessing the performance relative to the safety of individual facilities and to serve as a basis for communicating to the licensee. The NRC staff expects licensees to focus on the facts in the SALP report, the issues identified, and the apparent root cause of problems. The prospect of financial rewards or punishments for licensees based on SALP ratings causes concern in that it may change the focus of the SALP process from the underlying issues, where it should properly be, to the numerical ratings themselves. If the issues identified in a SALP report are obscured by concerns over the financial consequences incurred as a result of that rating, the process may not achieve the desired ^{objective} results. Insert A

Similarly, performance indicators were developed to assist ^{the} NRC ^{and the} licensees in identifying trends and areas of performance that should receive a more detailed assessment. Basing rewards or penalties on the indicators could

^{use RB} direct a licensee's attention toward improving the scores by possibly inappropriate means rather than toward identifying and correcting underlying safety conditions.

Continued NRC Monitoring Program

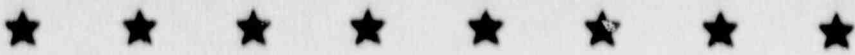
The NRC will periodically survey State regulatory commissions having rate regulation over power reactors and the Federal Energy Regulatory Commission (FERC) to determine any new or substantial changes in programs and to ascertain how the programs have been implemented, including the imposition of large penalties.

INSERT A

and may instead result in a licensee adopting corrective actions which produce rapid results rather than those which yield the highest increase in safety in the long term.

INSERT B

Inappropriate emphasis on these indicators in an incentive program could



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ADVANCE COPY TO: _____ Public Document Room*

DATE: 10/19/80

FROM: SECY, Operations Branch *C. B. S.*

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| 1. <u>Secy-90-055</u>
Arm on 90-055 & | 11. <u>Com. Remicki note</u>
<u>sheet on 90-067</u> |
| 2. <u>90-067 dtd 10/2/90</u>
<u>Com. Rogers' note</u> | 12. <u>Secy-90-288</u>
<u>Revised arm on</u> |
| 3. <u>sheet on 90-055</u>
<u>Com. Rogers' revised</u> | 13. <u>90-288 dtd 10/5/90</u>
<u>arm on 90-288</u> |
| 4. <u>note sheet on 90-055</u>
<u>Com. Curtiss' revised</u> | 14. <u>dtd 10/4/90</u>
<u>Com. Curtiss' note</u> |
| 5. <u>note sheet on 90-055</u>
<u>Com. Curtiss' note</u> | 15. <u>sheet on 90-288</u> |
| 6. <u>sheet on 90-055</u>
<u>Com. Remicki's note</u> | 16. _____ |
| 7. <u>sheet on 90-055</u> | 17. _____ |
| 8. <u>Secy-90-067</u>
<u>Com. Curtiss' revised</u> | 18. _____ |
| 9. <u>note sheet on 90-067</u>
<u>Com. Curtiss' note</u> | 19. _____ |
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