



REQUEST REPLY BY

9/11/98

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

COMSECY-98-024

August 25, 1998

Approved, subject to
attached comments.

MEMORANDUM TO:

Chairman Jackson

FROM:

L. Joseph Callan
Executive Director for OperationsShirley Ann Jackson
9/11/98

SUBJECT:

RESPONSE TO ISSUES RAISED WITHIN THE SENATE
AUTHORIZATION CONTEXT AND JULY 17, 1998
STAKEHOLDER MEETING

RELEASED TO THE PDR

9/16/98
dateDtn
initials

Attached for your information is the staff's plan of short- and long-term actions to respond to issues raised during the July 30, 1998 hearing before the Senate Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety and the July 17, 1998 Commission meeting with stakeholders.

As you noted in your August 7, 1998, memorandum to me, concerns were raised about several issues: the predictability, objectivity, and timeliness of NRC decisions; the focus of NRC activities; the quality of NRC-licensee interactions; the implementation of NRC programs; and the size of the NRC staff. The Staff Requirements Memorandum on the July 17, 1998 Public Meeting on Stakeholders' Concerns (SRM M980717A) dated August 18, 1998, provided possible improvements in NRC activities that were identified during the public meeting. The SRM contains fifteen activities, most of which would address the concerns expressed by the Senators.

The attached plan's organization follows the outline of your testimony for the July Senate Oversight Subcommittee hearing in order to facilitate preparation of testimony for the upcoming hearing in January 1999. By reference to the former testimony, the staff will be able to show the progress made by the NRC toward responding to the concerns of the Senators. All of the items and issues in the August 7, 1998, memorandum have been addressed. The improvements in NRC activities described in SRM M980717A have also been addressed, with the exception of item 12, "The Establishment of an Assessment Team to Improve the Regulatory Process," which will be addressed separately. In light of the scope of the tasks outlined in this plan, there will be an impact upon the staff's ability to complete certain activities and previously assigned projects. As we proceed with the implementation of the plan and complete the associated updates to the agency's planning and budgeting process, those items requiring deferral or termination, in light of higher priorities, will be identified and communicated to senior management. Such an example is the suspension of the Systematic Assessment of Licensee Performance (SALP) process, which is proposed in item III.A.

The plan should be considered a living document which will be updated on a periodic basis and focus on improving NRC's regulatory processes in several key areas. These efforts will demonstrate our commitment to regulatory effectiveness. The objectives stated for each section of the plan are outcome-oriented and the progress toward the associated milestones will be actively monitored by the senior managers. Further, a number of tasks within the plan involve

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Chairman Jackson's Comments on COMSECY-98-024

In reviewing the staff's response to the tasking memorandum of August 7, 1998, I noted an embedded policy issue dealing with the potential suspension of the SALP process for which no Commission paper was planned.

I have consistently called for improvements in the timeliness, objectivity, accuracy, efficiency, connectivity, breadth, use of risk insights, simplicity, and clarity of the NRC assessment process. The Commission has questioned the SALP system and NRC assessment process often. A series of Staff Requirements Memoranda (e.g., June 28, 1996; October 18, 1996; January 17, 1997; February 14, 1997; February 26, 1997; March 17, 1997; March 25, 1997) led the staff to request, in June 1997, an integrated review of the NRC Assessment Process for operating commercial nuclear reactors. The staff summarized the following weaknesses in that paper:

- redundancy of many of the current processes
- assessment criteria that differ between processes
- assessment processes that have the potential for inconsistent implementation
- assessment results such as SALP scores and watch list designations that are not clearly defined and not well understood by the public or industry

I note that the Plant Performance Review (PPR) process, as currently structured, accomplishes many of the key functions originally vested within the SALP process. Specifically, the PPR process integrates licensee safety performance in a structured setting and allocates inspection resources as a result of process conclusions about licensee safety performance. Additionally, the six month periodicity of the PPR process seems to correspond well to the emphasis that the SALP process places on the last six months of licensee performance in developing assessments.

Because of the perceived weaknesses in the SALP process and the compensating provisions afforded through the PPR process, I approve the suspension of the SALP process, as requested by the staff, in a structured and controlled manner. While some provisions of the SALP process are not included in the PPR process, such as numerical grading, invitations for licensees to respond to NRC findings, and public presentations of the results, I do not believe that the lack of such features will impede the agency in carrying out its public health and safety mission for the suspension period proposed by the staff. In referring to a "controlled manner" I mean, for example, that:

- 1) the staff ensures that PPRs effectively monitor and describe our assessment of licensees, and allocate NRC inspection resources appropriately; and
- 2) SALP-related activities for licensees whose SALP boards have already met should be brought to completion under the program.

Because many stakeholders have grown accustomed to receiving SALP reports, the staff should ensure that any modifications necessary to enhance public knowledge of PPR process results are made expeditiously. For example, local emergency planning and civic officials frequently look to our assessments of licensee performance. The staff should ensure that these officials are provided with copies of PPR letters which are sent to licensees summarizing

PPR conclusions (toward this end, the "should" statement referring to the inclusion of performance trend information, contained in NRC Inspection Manual Chapter 0304, must be read as a "shall.").

Finally, regional and NRR management should focus their attention on the execution of the PPR process to ensure consistency of implementation (both within a given region and between all the regions).

In the tasking memorandum response, the staff states that by January, 1999, progress on a new assessment process will be sufficient to determine whether the SALP process will be conducted in the future. Accordingly, the staff should inform the Commission, prior to January 31, 1999, of its plans relative to the reactor performance assessment process.

I note that other policy issues included in ComSecy 98-024 that require further Commission involvement will be forwarded to the Commission by the EDO as a part of individual issue development plans.