

## **Summary of the Staff's Evaluation of the Proposed More-than-Minor (MTM) Screening Criteria**

During the development of the final option presented in this paper, the staff evaluated a range of approaches to ensure that the revised MTM criteria would not diminish the agency's ability to proactively address licensee performance. In considering changes to the criteria, the staff sought to balance the competing priorities of predictability, efficiency, and public transparency with the need to preserve effective oversight and enable early detection of performance issues. While predictability promotes consistent regulatory outcomes, the staff considered the extent to which rigid criteria requiring actual impact, such as extended equipment inoperability, could limit the NRC's ability to document and trend degraded conditions, repeated failures, or substantial losses of margin. Staff also considered the extent to which this approach could obscure underlying performance issues, particularly when equipment is promptly restored without addressing potential causes.

The staff also considered the value of tracking and trending low-level performance issues as a key component of assessing safety culture, an area that could be affected by fewer Green findings, elevated MTM thresholds, and scaled-back engineering and PI&R inspections. While these changes support increased reliability and efficiency, the staff considered the impact of reduced opportunities to detect subtle degradations of critical safety culture behaviors, seeking to maintain a balanced approach that supports both streamlined processes and robust oversight.

Considering the above factors, the staff's evaluation led to the identification of several viable options that included maintaining the status quo, eliminating all Green findings, or the staff's recommendation to revise the MTM criteria so that Green findings would only be documented for issues involving actual impact, as defined within each applicable inspection manual chapter.

The staff selected to revise the MTM criteria because it supports the NRC's broader transition to a more risk-informed, performance-based regulatory framework. It also aligns well with the foundational principles of the Rector Oversight Process (ROP), advances the agency's strategic goals, and is responsive to direction from external stakeholders, including Congress and the Administration. While there was general agreement that the recommended changes would reduce the number of Green findings documented in publicly available inspection reports, the staff concluded these changes would not eliminate Green findings altogether or weaken the effectiveness of NRC oversight. All licensees will continue to be required to restore compliance with all violations of NRC requirements, regardless of MTM determination. The staff also concluded that the changes would not diminish the NRC's influence on site performance over time. The key factors that influenced the final proposal to the Commission are described below.

### **Subjectivity in the MTM Screening Process**

One of the primary objectives of the staff's work to review the MTM screening criteria was to reduce subjectivity in the current process. By doing so, the staff sought to improve consistency and ensure that inspection outcomes more accurately reflect their actual impact on public health and safety. During their review, the staff noted that the current MTM screening questions include criteria that can lead to inconsistent outcomes based on individual staff interpretations. For example, Inspection Manual Chapter (IMC) 0612, Appendix B, "Issue Screening Directions," uses, but does not define, terms such as:

- “Reasonably be viewed as a precursor to a significant event”
- “Potential to lead to a more significant safety concern”
- “Adversely affects a cornerstone objective”

Similarly, IMC 0612, Appendix E, “Examples of Minor Issues,” references criteria such as the need to revise a calculation, reasonable doubts about equipment qualification or operability, and non-specific losses of margin. These subjective elements are open to varying interpretations, even among NRC staff with similar training and experience. Despite efforts to improve consistency, the current screening questions and examples continue to challenge long-term regulatory predictability and uniform application.

To address these issues, the staff has proposed an approach that replaces subjective criteria with objective, observable indicators. These include clearly defined events such as plant trips or scrams, equipment inoperability, or accrued radiological dose. These criteria are less open to interpretation and more directly tied to safety significance. While this approach may reduce the number of Green findings issued annually, the findings that are issued will more accurately reflect plant performance and carry greater meaning.

#### Public Transparency and Thresholds for Green Issues

The staff noted that the current MTM screening thresholds, in some cases, do not effectively communicate the actual risk of a performance issue to external stakeholders, including the public. Under the existing framework, many Green findings are issued each year for issues that have minimal or no impact on public health and safety. Examples of Green findings with little to no safety impact include failures to perform a prompt evaluation, omissions of a technical assumption in a calculation, or minor lapses in control of materials, parts, or equipment. Green findings under these criteria are often issued even when affected systems remained operable and fully capable of ensuring safety, without the need for corrective actions.

Moreover, the current thresholds do not allow for meaningful distinctions in licensee performance. Because the Green category encompasses a wide range of outcomes, it can blur the line between issues involving inoperable equipment and those where safety functions were maintained. For instance, a finding involving a simple calculational error that does not impact equipment performance and a separate finding involving a performance issue that renders that same equipment inoperable can result in a Green finding. This creates inconsistent and sometimes contradictory regulatory messages that are difficult for external stakeholders to interpret.

Under the recommended approach, the public would more clearly understand the distinction between issues that directly affect safety-significant equipment and those that represent more limited, speculative concerns. This clarity enhances the credibility and clarity of NRC inspection findings and reinforces the agency’s commitment to a risk-informed regulatory framework.

#### Cumulative Impact of Reduced Inspections and Changes to MTM Screening

The staff also wanted to ensure that proposed changes to the engineering and PI&R inspections along with the proposed changes to the MTM screening criteria wouldn’t compromise the NRC’s robust framework for monitoring and assessing safety culture across the operating reactor fleet. The staff concluded that even when considering the cumulative impact of these changes, the revised approach continues to provide meaningful oversight through several key mechanisms:

1. Annual Engineering Engagement: The program retains an annual engineering touchpoint, ensuring continued technical engagement and the opportunity to identify latent issues that may reflect broader cultural concerns.
2. Integrated PI&R Focus: A significant portion of every inspection inherently involves aspects of PI&R, which is a critical oversight element that provides safety culture insights. The revised program enhances this by allowing increased annual resources for targeted follow-up under Inspection Procedure (IP) 71152, "Problem Identification and Resolution." Additionally, it introduces a formalized process to initiate a PI&R team inspection when there are indications of potential safety culture degradation.
3. Resident Inspector Presence: The full complement of resident inspectors is maintained. These inspectors provide continuous on-site oversight and are uniquely positioned to observe behaviors, decision-making processes, and organizational responses that are indicative of safety culture health.
4. Preservation of Inspectable Areas: All current inspectable areas remain consistent with the original ROP framework established in SECY-99-007, "Recommendations for Reactor Oversight Process Improvements (Follow-Up to SECY-99-007)." This ensures that the foundational elements of safety oversight, including those that inform safety culture assessments, are preserved.

Taken together, these elements provide a reasonable and risk-informed framework that continues to support the NRC's ability to monitor and assess safety culture, even as the inspection program evolves.

#### *Actions Taken in Development of the Revised MTM Criteria*

Diverse perspectives shared during the development of the proposed MTM criteria were extremely valuable and significantly influenced the prevailing staff position presented to the Commission. Several key modifications were made throughout the development process, which ultimately strengthened the final MTM screening criteria.

In particular, input from staff helped refine the threshold to ensure it captured a broader range of issues within the *Mitigating Systems Cornerstone*. This resulted in changing the original staff-developed criteria to consider all inoperable equipment, including issues beyond demand and run failures that exceed technical specification limits, as MTM. This change reflects valuable staff perspectives that the NRC can benefit from performance insights from Green findings for scenarios where a compensatory measure was needed to maintain operability or where design basis analyses revealed that a structure, system, or component would not be capable of performing its intended safety function.

The NRC staff also contributed to enhancing the flexibility of the screening process. Recognizing that it is impractical to develop criteria that account for every possible scenario, the staff proposed an approach that allows for greater flexibility in evaluating degraded equipment conditions while still avoiding subjectivity and speculative impacts. This flexibility acknowledges that the criteria outlined in this paper are not exhaustive. In rare instances, the screening process provides staff with sufficient discretion to document deteriorating plant performance, consistent with the ROP's oversight objectives that are outlined in SECY 99-007. While the overarching philosophy remains that inspection issues should be considered MTM only when

they result in a tangible impact on one or more of the seven cornerstones of safety, there may be issues involving substantial margin loss or uncertain impacts to public health and safety that should be screened as MTM. To address this, the revised inspection manual will include provisions allowing inspectors, with appropriate headquarters concurrence, to document performance issues that meet these criteria. This includes issues that are novel, recurring without effective corrective actions, or that involve substantial degradation of margin or defense-in-depth.

Another important change included to balance the competing priorities among rigorous safety oversight, regulatory consistency, and public transparency was the inclusion of documentation elements that allow inspectors to record significant corrective action documents generated as a result of their inspections. During the development of the MTM criteria, the staff recognized that the agency could lose the ability to follow up on licensee corrective actions for issues that would typically be reviewed in subsequent inspections. To preserve this capability for issues that do not meet the threshold of a Green finding, the staff will introduce a new section in the "Documents Reviewed" portion of publicly available inspection reports. This section, titled "Noteworthy Corrective Action Documents Generated as a Result of this Inspection," will allow inspectors to record the corrective action document number along with a brief description of the issue addressed. Inclusion of an issue in this section will not constitute an enforcement action; its sole purpose is to support future inspectors in verifying that identified issues have been appropriately resolved. This enhancement will enable staff to more effectively follow up on licensee corrective actions and support the NRC's ability to identify and trend issues over time.

Regarding potential impacts on licensee performance, it is important to note that while these changes may result in fewer documented findings in NRC inspection reports, minor issues will still be required to be addressed through the licensee's corrective action program. It is also anticipated that this revised approach to documenting Green findings will affect the CCI program. As a result, a revision to the thresholds in IMC 0305, "Operating Reactor Assessment Program," for documenting a cross-cutting theme will be necessary. Because of the interconnected relationship between the MTM threshold and the CCI program, the staff will sequence its future work on CCI following Commission direction on SECY-25-0045 and the MTM threshold.

### Conclusion

The staff's recommendation to revise the MTM criteria reflects a careful balance between enhancing regulatory efficiency and preserving the NRC's ability to detect and address early signs of performance degradation. This approach aligns with the agency's shift toward a more risk-informed, performance-based oversight model while maintaining the integrity of the ROP. Although the changes may reduce the number of Green findings, they are not expected to compromise the NRC's oversight effectiveness or long-term influence on licensee performance. The staff's evaluation demonstrates a commitment to thoughtful, responsive regulation that supports both safety and transparency.