

April 19, 1999

SECY-99-117

FOR: The Commissioners

FROM: William D. Travers /s/
Executive Director for Operations

SUBJECT: USE OF INDUSTRY OPERATIONAL EXPERIENCE IN LIEU OF
INFORMATION NOTICES

PURPOSE:

To inform the Commission of the staff's activities to date for improving the efficiency and effectiveness of the information notice (IN) generic communications process by use of industry operational experience.

BACKGROUND:

Last year, the staff conducted a self-assessment of operational safety data review processes. The self-assessment addressed a wide range of processes from the initial review of the event or condition through the development of a service or product, such as a generic communication. The results of the self-assessment were presented to the Commission on January 6, 1999, in SECY-99-005. In that paper, the staff committed to providing a future paper for policy review regarding the use of industry operational experience in the IN development process.

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DISCUSSION:

INs are a type of generic communication that is normally used to bring significant safety, security, or environmental information to the attention of licensees. Licensees are expected to review the information for applicability to their facilities and consider actions appropriate to avoid similar problems. However, an IN is not used to convey or imply new requirements or to transmit new interpretations of regulations. INs do not require or request a response or any specific actions.

INs serve an important role in the communication of operational experience to licensees. Licensees have an operational experience review program that assesses NRC INs as well as other sources of information. Although no response to an IN is required, licensees do take actions to avoid similar problems, when appropriate. INs are also public documents that are given visibility by wide distribution and posting on the Internet.

Alternate sources of operational experience information are currently being provided to licensees. These sources include the Institute of Nuclear Power Operations (INPO) operational experience program and vendor information letters. Industry notices are included, along with NRC notices, in the enforcement policy as examples of missed opportunities to identify a problem. Before 1991, the NRC had the option not to develop an IN if the relevant information had already been disseminated by other means. The 1988 Memorandum of Agreement (MOA) with INPO stated, "Prior to issuing to the industry an Information Notice or other completed and formally documented analysis on a specific event at a nuclear power plant, the NRC agrees to make reasonable efforts to review available INPO SEE-IN [significant event evaluation-information notice] products to determine *if the Information Notice* or other analysis *is needed* and, if so, that it is technically accurate" (*emphasis added*).

In response to a 1990 request from Congressmen Kostmayer and Markey, the General Accounting Office (GAO) conducted a review of the NRC's relationship with INPO. The resulting 1991 GAO report raised concerns about the NRC's decision not to issue INs if INPO had previously disseminated the information in its operational experience reports. On the basis of its review, GAO found that about six INs were not developed each year as a result of existing INPO operational experience. INPO reports are not publicly available. Therefore, the concern was that information that may be important to the public's understanding of nuclear power plant operations was not publicly available. In response to this report and a letter from Congressman Markey, Chairman Selin informed Congressman Markey in a letter dated July 19, 1991, that "when the NRC staff determines that it would be appropriate for reasons of safety to issue an information notice, the staff will issue the notice without regard to whether INPO has already notified the industry about the subject of the notice." This policy change was reflected in the new language of the 1993 INPO MOA which states, "Prior to issuing to the industry an Information Notice or other completed and formally documented analysis on a specific event at a nuclear power plant, the NRC agrees to make reasonable efforts to review available INPO SEE-IN products to determine whether INPO has additional technical information which bears on the subject matter."

The 1991 policy has led to some duplication of effort. Using current labor rates and an estimate of four duplicative INs per year, this duplication of effort represents approximately a 0.3 full-time equivalent position. This duplication has been criticized by the Nuclear Energy Institute (NEI) in a letter to Chairman Jackson dated August 11, 1998, which states, "INPO conducts a SEE-IN program that evaluates industry events for lessons learned and communicates those lessons to the industry....and the NRC often issues redundant generic communications. As a result, the utilities respond to both sources to address lessons learned. NRC can better use its resources by reviewing the INPO program (or other communications, such as vendor information), determine what issues are risk significant, and assess industry action - both the promulgation of information and the implementation." NEI's observation is in accord with the self-assessment report, reflected in SECY-99-005, that recommended that industry operating experience feedback be considered when evaluating the need for a generic communication in order to minimize duplication of effort by NRC and the industry.

Minimizing duplication and allowing the review of industry information to determine whether an IN is needed is consistent with agency goals of increasing efficiency and reducing unnecessary burden while maintaining safety. The staff believes that these activities can be accomplished in a public format such that public access to the information and confidence in this process, is maintained. The staff's preferred option is to work with INPO to allow public access to their operational experience. This topic was broached at a public meeting with INPO management in Atlanta on February 24, 1999, in which INPO expressed a willingness to explore the possibility of sharing operational experience reviews. INPO and NRC staff have continued to discuss proposed strategies for addressing the duplication issue. An April 12 discussion with INPO senior management indicated that INPO believes that a mutually acceptable approach can be agreed upon that would minimize the unnecessary duplication of effort. INPO indicated an interest in meeting with NRR management in the near future to discuss their proposed approach. A time-frame for this meeting has tentatively been set for late May or early June. Meanwhile, the current policy of not crediting industry information remains in effect. If the staff determines that policy changes are needed that would improve the efficiency and effectiveness of disseminating operational experience, the Commission will be consulted following the May/June NRR-INPO meeting.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objections to its content.

The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections to its content.

The Office of the Chief Information Officer has reviewed this paper for information technology and information management implications and has no objections to its content.

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*See previous concurrence

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