

June 29, 1998

SECY-98-152

FOR: The Commissioners

FROM: L. Joseph Callan /s/  
Executive Director for Operations

SUBJECT: SUMMARY OF ISSUES AND RECOMMENDED IMPROVEMENTS TO THE  
RESIDENT INSPECTOR PROGRAM

PURPOSE:

This paper presents the staff's approach to address recommended improvements to the Resident Inspector (RI) Program as committed to in SECY-97-285, "Discussion of Resident Inspector Demographics and the Balance Between Expertise and Objectivity," dated December 10, 1997, and specifically requested by the Commission in a staff requirements memorandum (SRM) dated April 8, 1998.

SUMMARY:

This paper addresses issues related to the attrition of inspectors from the RI Program and related information as requested by paragraph two of the April 8 SRM. The staff believes that the RI Program and the recommended improvements to the program should focus on maintaining the quality and effectiveness of the RI staff in addition to minimizing excessive attrition from the program. Exit interviews with inspectors leaving the RI Program have indicated that the primary factors influencing the inspectors' decisions to leave include issues associated with management and organization, quality of life, and compensation. The common reasons that are unique to the RI Program include the 5-year relocation policy and the impact of locality pay on the 3-step pay incentive for RI staff. Attrition data through the first 8 months of Fiscal Year (FY) 1998 appears to indicate that the rate of external losses from the RI Program is returning to a level consistent with the external attrition rate for the agency as a whole.

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The staff is continuing to track the reasons inspectors are leaving the RI Program and will analyze the associated attrition data. The staff will present the demographic data and analysis, and any resultant recommendations, to the Commission in future annual reports on the demographics and status of the RI Program. The staff will also consider any impacts on the RI Program resulting from changes in the NRC budget, along with process changes that are expected following completion of the Integrated Review of the NRC Assessment Processes (IRAP), the Regional Division of Reactor Projects (DRP) Job Task Analysis (JTA), and the Office of the Inspector General's (OIG's) Safety Culture and Climate Survey of NRC organizations, in future recommendations to the Commission. A subcommittee of the Agency Labor-Management Partnership Committee (ALMPC) has recently submitted recommendations for RI Program improvements, including clarification and consistency of the agency's expectations, clarification of the 7-year relocation policy pilot program, and changes to compensation policies. The staff's plans to address the subcommittee's recommendations are provided in this paper.

#### BACKGROUND:

Several RI Program enhancements were recommended as a result of a study in 1994 as presented to the Commission in SECY-94-181, "Implementation of Changes to the Resident Inspector Program Resulting From a Staff Study of the Program," dated July 8, 1994. Those recommendations resulted in policy changes leading to the inception of (1) relocation bonuses -- payment of appropriate bonuses, ranging from 10 to 25 percent of annual salary, for all NRC employees who enter, transfer within, or leave the RI Program, provided they have at least a "fully successful" rating on their most recent performance appraisal and sign a mobility agreement; (2) saved pay provisions -- upon leaving the RI Program (after 4 years), inspectors save their salary by not reverting back to the normal pay scale; (3) revised pay schedule -- the current RI pay schedule was revised to incorporate the locality pay adjustment for sites designated as "high-cost areas," but this adjustment was limited to the difference between the specific area locality pay and the "rest of the U.S.;" and (4) RI and senior resident inspector (SRI) development programs -- designed to establish an available pool of qualified candidates prepared to fill vacant RI and SRI positions. The relocation bonuses, the saved pay provisions, and the revised pay schedule remain in existence today; however, the development programs were phased out as a result of budget considerations.

SECY-97-285 discussed the past and present demographics of the RI staff and the need to balance objectivity and expertise as requested by the Commission in an SRM dated March 25, 1997. The staff found that a comparison of the demographic data from April 1994 and November 1997 indicated that the average experience level for the RI staff was less in 1997 than it had been in 1994. In addition, the attrition rates from the RI Program had increased in each of the previous 4 years. The staff indicated its intention to undertake a comprehensive management review of the RI Program, in conjunction with the ALMPC, to address the increased attrition rates and the apparent decline in RI experience. Upon completion of these review efforts, a Commission paper would be developed that would address issues associated with the RI Program and include recommendations, as appropriate. A summary of the origin and evolution of the RI Program was included as Attachment 1 to SECY-97-285.

DISCUSSION:Proposed Staff Actions To Address The Staff Requirements Memorandum

SRM COMGJD-98-001/COMEXM-98-002, dated April 8, 1998, directed the staff to take several actions with respect to RI demographics. These actions included (1) revise and resubmit the demographic data (to include both the median and average values for resident time, site time, NRC experience, qualified resident time, and relevant non-NRC experience, sorted by each region and all regions combined) and provide a trend analysis of relevant new-hire experience covering the last 5 years (by July 31, 1998); (2) provide recommendations to address the high attrition rate of inspectors from the RI Program on an expedited basis (by June 30, 1998), track the reasons inspectors are leaving the RI Program, and consider the significant process changes expected following completion of the IRAP, the Regional DRP JTA, and the results of the OIG's Safety Culture and Climate Survey; and (3) provide annual updates of the demographics data and any recommendations warranted by the updated data.

The revised demographic data and trend analysis will be provided to the Commission in a separate paper by July 31, 1998. This paper addresses issues related to the attrition rate of inspectors from the RI Program and related information as requested by paragraph two of the SRM. The first of the annual updates will be provided to the Commission in a separate paper by November 30, 1999. The first annual update will include demographic data through the end of FY 1999, as well as any recommendations warranted by the updated data.

Reasons Inspectors are Leaving the RI Program

The SRM directed the staff to track the reasons that the inspectors are leaving the RI Program for future reports. The Office of Human Resources (HR) and Regional HR staff attempt to conduct exit interviews with each individual upon leaving the NRC. These interviews have provided insights into why resident inspectors have decided to leave the NRC from the RI Program (i.e., "external losses"). In addition, starting at the beginning of FY 1998, HR and Regional staff began to track reasons inspectors were leaving the RI Program for other positions within the NRC ("internal losses").

A common reason given by inspectors for leaving the NRC from the RI Program over the past several years has been retirement. Many of the external losses, however, were due to individuals leaving for the private sector. These losses to the private sector appear to be attributed to both increased opportunities in the private sector and job dissatisfaction within the RI Program. Of the six individuals who left the RI Program for other positions within the NRC thus far in FY 1998, three have left for career advancement opportunities and three have left for lateral reassignments.

The primary factors cited as influencing the inspector's decision to leave the RI Program include issues associated with management and organization, quality of life, and compensation. Management and organization issues cited as influencing factors have included the quality of supervision and management, the lack of clarity of expectations, too little staff to carry out the duties of the position, and poor morale. The most significant quality-of-life factor identified was the 5-year relocation policy, although other personal reasons that were not job related were

also frequently given. The compensation issues have focused primarily on either the base pay of the RI

staff (i.e., the impact of locality pay on the 3-step pay incentive) or the lack of opportunity to advance into higher paying positions. The primary factors influencing the inspectors' decisions to leave have not changed noticeably in the past few years.

The majority of reasons and influences cited by inspectors leaving the RI Program are not unique to the program and are consistent with the reasons cited for leaving other NRC positions. However, several of the reasons are unique to the RI Program, including the 5-year relocation policy and the impact of locality pay on the 3-step pay incentive. The staff believes that the recommended improvements to the RI Program provided in this paper address the reasons inspectors are leaving the program and should help correct some of the factors that have influenced inspectors to leave the RI Program in the past. The staff will continue to track the reasons inspectors are leaving the RI Program and will present the data and analysis in future annual reports to the Commission.

#### Resident Attrition and Quality of the Resident Staff

As presented in SECY-97-285, the attrition from the RI Program had increased from FY 1994 through FY 1997. During 1998, senior NRC management has discussed the increased attrition rate and its effect on the quality of the current RI staff. Although the attrition rate had risen to a level higher than expected, vacancies were filled by quality individuals with some nuclear experience. The staff believes that the NRC should focus on maintaining the quality and effectiveness of the RI staff, in addition to minimizing excessive attrition from the RI Program.

The staff assessed the attrition data for FY 1998 to determine whether the attrition rate was decreasing. The attrition data for FY 1998 include all losses from the RI Program through May 31, 1998 (approximately 8 months or two-thirds of FY 1998). Table 1 presents the number of losses (in parentheses) and associated percentages for FY 1994 through FY 1998. This table is similar to Table 2 from SECY-97-285 and includes the addition of the annualized FY 1998 attrition rates. Resident attrition rates are based on the average total number of resident inspection staff on board in a given fiscal year, typically 170-175 inspectors.

Table 1 - Resident Attrition Rate

	Agency external <u>losses</u>	Resident external <u>losses</u>	Resident internal <u>losses</u>	Total resident <u>losses</u>
FY 1994	5.5% (175)	2.3% (4)	8.7% (15)	11.0% (19)
FY 1995	5.7% (175)	4.5% (8)	9.0% (16)	13.5% (24)
FY 1996	4.6% (137)	4.6% (8)	11.0% (19)	15.5% (27)
FY 1997	5.2% (154)	9.7% (17)	12.6% (22)	22.3% (39)
FY 1998*	5.5% (159)	5.3% (9)	5.3% (9)	10.6% (18)

\* projected, based on data through May 1998

The actual losses from the RI Program thus far in FY 1998 include 6 external losses and 6 internal losses. The 12 losses to date represent a current annualized attrition rate of 10.6 percent for FY 1998, which is

comparable to the attrition rate in FY 1994. Most importantly, the rate of external losses appears to be returning to a level consistent with the external attrition rate for the agency as a whole. The staff believes that an attrition rate in the range of 10 to 15 percent is both manageable and desirable. Some attrition from the RI Program is beneficial to both maintain a fresh perspective in the RI staff and provide opportunities for RIs to be promoted into vacant SRI positions. In addition, some attrition is necessary to develop and train new RIs and to infuse experienced RIs into other NRC organizations.

The staff will continue to track the attrition data and will present the data and the analysis, including any recommendations warranted by the updated data, in future annual reports to the Commission.

#### Consideration of Related Programs and Processes

The SRM also directed the staff to consider the significant process changes that are expected following completion of the IRAP, the Regional DRP JTA, and the OIG's Safety Culture and Climate Survey. The staff expects these projects to provide valuable insights regarding the RI Program and will consider their impact on the RI Program throughout their development and/or review. The staff also recognizes that the implications of any budget changes will need to be considered when evaluating the effectiveness of and potential modifications to the RI Program.

The staff conducted a JTA in 1997 to analyze the duties of positions that make up the DRP in each region. The objectives of the JTA were to evaluate whether specific tasks were best performed on site or in the region and to determine job training requirements for the positions evaluated. The staff is currently reviewing the JTA recommendations to establish priorities and to develop methods for implementation.

One of the JTA recommendations stated that unnecessary redundancies in the processes for assessing licensee performance should be eliminated. The IRAP was initiated by the staff in September 1997 in response to Commission concerns and to address the JTA recommendation. The staff took a process reengineering approach to develop the concept for a new assessment process that is objective, transparent, scrutable, and efficient. The concept for this new assessment process was presented to the Commission for review in SECY-98-045.

The results of the OIG's Safety Culture and Climate Survey were not available to the staff during preparation of this paper. The staff believes that the proposed actions in this paper are consistent with the current status and direction of the JTA and IRAP projects. Future annual reports to the Commission on the demographics and status of the RI Program will provide detailed analysis of these projects, including any recommended RI Program enhancements warranted by their conclusions. In addition, the impact of any changes in the NRC budget on the RI Program and its implementation will also be considered and addressed in future reports to the Commission.

#### Recommended Improvements to the RI Program

The staff believes that several RI Program improvements are warranted to maintain a highly qualified and experienced resident staff. Consistent with SECY-97-285, an ALMPC subcommittee was formed with representatives from both labor and management. The ALMPC Subcommittee on Resident Issues held a series of meetings to develop and agree upon the issues and potential improvements associated with the current RI Program. The ALMPC Subcommittee made several recommendations to improve the RI Program in a memorandum dated April 27, 1998. The ALMPC reviewed the recommendations of

the Subcommittee's report and agreed they should be forwarded to senior management for further consideration on May 14, 1998 (see attachment). A summary of the Subcommittee's recommended improvements is included below, along with the staff's plans and/or recommendations for addressing each of the identified concerns.

1. *Agency expectations and requirements need to be clearly defined and commonly understood through issuance of program guidance documents.*

While the current RI program guidance has been adequate to implement the program, the staff recognizes that further improvements in certain areas are warranted. The staff plans to perform a review of existing program guidance to ensure its adequacy and consistency for implementing the RI Program. A listing of the current documented guidance related to the RI Program is included in the attached ALMPC Subcommittee report. New guidance will be developed, or existing guidance revised, as necessary to clarify expectations for the RI Program. The staff expects to complete this review by September 30, 1998, and plans to have the guidance documents revised (or developed) and issued by March 30, 1999. In addition, position descriptions and performance elements and standards for RIs and SRIs will be reviewed and adjusted to ensure that they are consistent with management's expectations and will be implemented by October 1, 1999.

2. *Management needs to assure that adequate numbers of properly trained and qualified response personnel (including resident inspectors) are available.*

It is essential to the mission of the NRC that properly qualified individuals are available to respond effectively to events at a site. To ensure this ability, management needs a means of contacting designated individuals but must also plan contingencies in case the designees are unavailable. Although pagers or cellular phones are frequently made available to RI staff and others who may be designated to cover a site, carrying these devices does not add any responsibility or restriction for the individual. Further, RIs are not required to establish residence within any specific distance of the site, nor is there a specific requirement regarding response time to a site that would affect the choice of personal residence. The staff plans to add clarifying guidance on these matters when it revises the RI Program guidance as previously discussed.

3. *Site coverage guidance in IMC 2515 should be reviewed and revised to clarify management's expectations.*

NRC Inspection Manual Chapter (IMC) 2515, "Light Water Reactor Inspection Program - Operations Phase," establishes the inspection policy for the overall operating reactor inspection program. IMC 2515-10, "Resident Inspector Policy," establishes the policy on the extent to which RIs are to provide site coverage during normal working hours, as well as during late evening and early morning hours and weekends (backshift coverage). The staff plans to revise IMC 2515, as necessary, to clarify management's expectations for site coverage and expects to issue the revised IMC by March 30, 1999.

4. *The efficiency and reliability of telecommunications for resident sites should be brought up to a level commensurate with their program needs.*

Because they are located at reactor sites, RIs do not have comparable access to information and resources available to those in other NRC locations. In particular, telecommunications service is currently insufficient to provide information to the sites in a timely and reliable manner. To maximize the effectiveness of the RI staff, the time they spend on a computer needs to be minimized (i.e., their computer efficiency should be maximized). The staff recommends that the efficiency and reliability of telecommunications for RI sites receive a higher priority for upgrading, to the greatest extent practical within the constraints of financial management and information technology.

5. *IMC 0227 should be revised to clarify the positive aspects of RI experience with respect to career advancement, while not providing false hopes or expectations in this regard.*

IMC 0227, "Career Paths for Resident Inspectors," was issued in October 1981 to show typical career paths for RI and SRIs and to emphasize the career advantages and valuable experience gained during these assignments. This document has become outdated and is not well understood by the RI staff. IMC 0227 needs to be reviewed and should either be removed from the NRC Inspection Manual or revised to clarify the positive aspects of RI experience and realistic expectations for career advancement opportunities. The staff plans to eliminate or appropriately revise IMC 0227 by

March 30, 1999.

6. *There should be no restrictions on the number of site assignments or overall time in the RI Program (this is a continuation of the current practice).*

Consistent with current documented guidance, there should be no restrictions on the number of site assignments or overall time in the RI Program. RIs and management should maintain the flexibility to make job assignments and career decisions in the best interest of both the NRC and the individual. The staff plans to add clarifying guidance on these matters when it revises the RI Program guidance as previously discussed.

7. *The implementation of the 7-year relocation policy pilot program needs to be clarified so that residents and management can plan effectively.*

EDO Field Policy Manual Number 8, "Resident Inspector Relocation Program," establishes the desired maximum tour length of an RI site assignment at 5 years. In August 1997, the Commission approved the FY 1999-2001 Budget Proposal for NRC Salaries and Expenses Appropriation, which included the suspension of the RI staff 5-year relocation policy for 2 years beginning in FY 1999. The staff, in conjunction with the Chief Financial Officer, decided to implement the suspension of the 5-year relocation policy effective January 1, 1998, through the end of FY 1999, to serve as a pilot program to determine whether a longer residence period would be appropriate.

The ALMPC Subcommittee report noted that it is currently unclear whether all employees in the RI Program as of January 1, 1998, would go from a 5-year to a 7-year tour limit or just those whose tours would have expired during the pilot period (FY 1998-1999). The staff recognizes the need to clarify that only those RI tours that would have expired during FY 1998 or FY 1999 have been extended for 2 years, so that now they will expire in FY 2000 and FY 2001 respectively. The existing 5-year relocation policy applies to all other RI staff. The staff plans to issue a memorandum to the affected staff no later than July 31, 1998, to clarify the relocation policy suspension. Further, the staff plans to evaluate the effectiveness of the 7-year relocation policy pilot program and will consider alternative relocation policies to ensure that the RI staff maintains an appropriate balance between objectivity and expertise. The staff's evaluation and recommendations for the most effective relocation policy will be included in a future annual report to the Commission on the demographics and status of the RI Program.

8. *There should be sufficient incentives offered to recruit and retain the highest quality individuals to the RI Program.*

RI staff should be compensated as necessary to recruit and retain individuals of high quality for the RI Program. The determination of the proper compensation must be consistent with appropriate law, regulation, and agency policy. The impact on the agency budget must also be considered, and an appropriate balance must be maintained with similar positions within the NRC. The ALMPC Subcommittee made several recommendations regarding RI compensation as noted in the attached report, including proposed changes in pay policy which would provide the 3-step pay incentive in addition to locality pay, provide a 2-step equivalent pay adjustment for promotion to higher graded positions outside the RI program, allow saved pay after 8 years of RI service instead of 4, and provide compensation for time and travel in connection with event response.

The staff is evaluating these recommendations and will recommend adjusting RI pay policies and practices as necessary to maintain an experienced and qualified RI staff. The staff recommends that decisions regarding compensation be deferred until a more in-depth analysis has been performed, including consideration of the agency's budget and policy impacts. The staff will provide recommendations on resident compensation to the Commission by September 30, 1998.

Recommended improvements 1, 2, 3, 5, and 6 will be performed by inhouse staff using currently budgeted resources. Recommended improvements 4, 7, and 8 have potential resource impacts which will be considered in the final analyses and addressed in future reports to the Commission. In addition, implications of any future budget changes will need to be considered when evaluating the effectiveness of and potential modifications to the RI Program.

#### Summary of Proposed Staff Actions

As detailed in this paper, the staff plans to take the following actions:

1. Develop new guidance or revise existing guidance as necessary to clarify expectations for the RI Program by March 30, 1999.

2. Review and revise position descriptions and performance elements and standards for RIs and SRIs as necessary to ensure that they are consistent with management's expectations by October 1, 1999.
3. Issue a memorandum to the affected staff clarifying the suspension of the 5-year relocation policy by July 31, 1998.
4. Continue evaluation of potential changes to RI compensation policies and provide recommendations to the Commission by September 30, 1998.
5. Provide the first annual update to the Commission on the demographic data, including any recommendations warranted by the updated data, by November 30, 1999.
6. Continue to track attrition of inspectors and the reasons they are leaving the RI Program and present the data and analysis in future annual reports to the Commission.
7. Provide any recommended RI Program enhancements warranted by the IRAP, the Regional DRP JTA, and/or the results of the OIG's Safety Culture and Climate Survey in future annual reports to the Commission.

COORDINATION:

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

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

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

The issues as detailed in the attached ALMPC Subcommittee Report on Resident Issues were discussed and agreed to by the National Treasury Employees Union (Chapter 208).

RECOMMENDATION:

It is the staff's intent to begin implementation of the proposed staff actions presented in this paper 10 days from the date of this paper, unless otherwise instructed by the Commission.

L. Joseph Callan  
Executive Director  
for Operations

Attachment: As stated

2. Review and revise position descriptions and performance elements and standards for RIs and SRIs as necessary to ensure that they are consistent with management's expectations by October 1, 1999.
3. Issue a memorandum to the affected staff clarifying the suspension of the 5-year relocation policy by July 31, 1998.
4. Continue evaluation of potential changes to RI compensation policies and provide recommendations to the Commission by September 30, 1998.
5. Provide the first annual update to the Commission on the demographic data, including any recommendations warranted by the updated data, by November 30, 1999.
6. Continue to track attrition of inspectors and the reasons they are leaving the RI Program and present the data and analysis in future annual reports to the Commission.
7. Provide any recommended RI Program enhancements warranted by the IRAP, the Regional DRP JTA, and/or the results of the OIG's Safety Culture and Climate Survey in future annual reports to the Commission.

COORDINATION:

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

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RECOMMENDATION:

It is the staff's intent to begin implementation of the proposed staff actions presented in this paper 10 days from the date of this paper, unless otherwise instructed by the Commission.

L. Joseph Callan  
Executive Director  
for Operations

Attachment: As stated

DOCUMENT NAME: G:\SECY2\RECOMEND.SCY

\* See previous concurrence.

\*\* Concurred via e-mail.

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April 27, 1998

MEMORANDUM TO: The Agency Labor-Management Partnership Committee (ALMPC)

FROM: The ALMPC Subcommittee on Resident Issues

SUBJECT: DISCUSSION OF RESIDENT INSPECTION PROGRAM ISSUES AND RECOMMENDATIONS

### PURPOSE

The purpose of this subcommittee is to provide recommendations for resident inspection (RI) program improvements. The subcommittee focused on the following RI program objectives in developing its recommendations: (1) recruit and retain the highest quality individuals, (2) provide sufficient site coverage, through both the routine inspection program and incident response capability, (3) implement the inspection program in a consistent manner, and (4) effectively utilize Agency resources.

### SUMMARY

The Subcommittee recommends the following:

- (1) Agency expectations and requirements need to be clearly defined and commonly understood through issuance of program guidance documents.
- (2) Management needs to assure that adequate numbers of properly trained and qualified response personnel (including resident inspectors) are available.
- (3) Site coverage guidance in IMC 2515 should be reviewed and revised to clarify management's expectations.
- (4) The efficiency and reliability of telecommunications for resident sites should be brought up to a level commensurate with their program needs.
- (5) IMC 0227 should be revised to clarify the positive aspects of RI experience with respect to career advancement, while not providing false hopes or expectations in this regard.
- (6) There should be no restrictions on the number of site assignments or overall time in the RI program (this is a continuation of the current practice).
- (7) The implementation of the 7-year relocation policy pilot program needs to be clarified so that residents and management can plan effectively.
- (8) There should be sufficient incentives offered to recruit and retain the highest quality individuals to the RI program.

## BACKGROUND

The Commission issued a Staff Requirements Memorandum on March 25, 1997, requesting the staff to (1) develop demographic data with respect to resident inspector experience and qualifications, and (2) discuss the appropriate balance between maintaining objectivity and continuity of expertise. The staff provided the demographic data and discussion in SECY-97-285 dated December 10, 1997. The demographic study indicated that the current resident experience level is less than it has been in the past, and that resident attrition is increasing (currently more than 22%). The staff also implemented the pilot program for the 7-year rotation policy. The staff committed to perform a comprehensive management review and establish an ALMPC working group to consider issues associated with the RI program. The staff will then develop a Commission paper to address the issues.

## DISCUSSION

Consistent with SECY-97-285, an ALMPC subcommittee has been formed to consider RI program implementation issues. A listing of the Subcommittee members is provided in Attachment 1. The initial meeting was held on February 24, 1998. Additional meetings were held on March 16, March 24, and April 14, 1998. The following issues were identified and discussed as relevant to the resident inspection program.

1. **Clarity and Consistency of Agency Policy and Practices.** Due to the lack of sufficient written guidance, RI program implementation has become inconsistent within and between regions. Agency expectations for the RI program need to be clear and commonly understood so that resident inspection staff and management can make informed decisions. Expectations should not be unduly influenced by changes in supervision and/or regional preferences. Expectations need to be sufficiently documented in formal RI program guidance (Management Directives, Inspection Manual Chapters, and/or the EDO Field Policy Manual). In addition, Position Descriptions and Performance Elements and Standards for RIs and SRIs should be reviewed and adjusted as necessary to ensure they are consistent with management's expectations. A listing of the current documented guidance related to the RI program is provided in Attachment 2.
2. **Emergency Response Capability (i.e., response time, commuting distance, use of pagers).** In order to maintain the ability to respond effectively to events at a site, NRC management needs to assure that adequate numbers of properly trained and qualified response personnel (including resident inspectors) are available. Therefore, management should maintain information regarding emergency response capability of designated individuals, such as site coverage availability, expected response time, commuting distance, inspector and other response team member qualifications, and security and radiological control access certifications, including the ability to wear anticontamination protective clothing and respirators.

Management needs a means to contact a designated individual (i.e., the Senior Resident Inspector, Resident Inspector, or other designated staff), but must also plan contingencies in case the designates are unavailable (i.e., a project engineer, a resident inspector from an adjacent site). Pagers or cellular phones should be made available (during duty and non-duty hours) to all resident inspection staff and others who may be designated to cover a site. Carrying a pager or phone on personal time would not carry any additional responsibility or restriction for the individual, but would serve as a means of contacting the designate to discuss the event, coverage availability, and other options. Consistent with current documented guidance, there should be no restrictions on personal activity when off duty ( i.e., fitness for duty, distance from the site) while carrying a pager or phone, except that the designates must make management aware of their condition or suitability if directed to respond to the site. If an individual responds to an event, the individual should be appropriately compensated.

Consistent with current documented guidance, residents should not be required to establish residence within any specific distance from the site nor should there be a specific response time requirement to a site affecting choice of personal residence. This would not preclude residents from being directed to report to a site as soon as possible.

Changes to existing requirements, as dictated by safety needs, should be evaluated and promulgated through formal RI program guidance (Management Directives, Inspection Manual Chapters, and/or the EDO Field Policy Manual), with corresponding changes to the Position Descriptions and Performance Elements and Standards, as necessary.

3. **Site Coverage Clarifications.** Site coverage guidance in IMC 2515 should be reviewed and revised to clarify management's expectations. For example, the discussion in the third paragraph of 2515-10 on site coverage requirements during normal working hours is internally inconsistent. The first two sentences imply that a qualification level equal to the resident is necessary while later in the paragraph the broad qualifications of IMC 1245 for any inspector are stated to be sufficient. This would include EP, security, and HP personnel, who do not normally have plant system and transient training. The IMC should be revised to state the purpose of this coverage and more precisely define the qualification requirements consistent with the stated purpose.

In addition, the guidance in IMC 2515 only applies to resident inspectors at reactor facilities. If this guidance is intended to apply to those residents at other nuclear facilities (i.e., fuel facilities), the site coverage requirements stipulated in IMC 2515 should be either included in the appropriate NMSS guidance document or removed and placed into a guidance document that applies to all resident inspectors (perhaps a new IMC which includes a consolidation of ALL RI program requirements and guidance).

4. **Improved Telecommunications.** Residents, by nature of their remote locations, do not have comparable access to information and resources. Telecommunications service for residents is generally less sophisticated and less reliable than other NRC locations and should be brought up to a level commensurate with their program needs. In order to minimize resident time spent on a computer and maximize their inspection time, the efficiency and reliability of telecommunications for resident sites should receive a higher priority for upgrading.
5. **Career Advancement Opportunities.** Individuals entering the program deserve a balanced perspective of career development opportunities. IMC 0227 should be revised to clarify the positive aspects of RI experience with respect to career advancement, while not providing false hopes or expectations in this regard.
6. **Time in the RI Program.** Consistent with current documented guidance, there should be no restrictions on the number of site assignments or overall time in the RI program. Resident inspectors and management should maintain the flexibility to make job assignments and career decisions in the best interest of both the NRC and the individual.

7. **Resident relocation policy.** Implementation of the 7-year relocation policy pilot program needs to be clarified so that residents and management can plan effectively. Two alternatives appear to fit within the existing policy; (1) all employees in the RI program as of 1/1/98 could go from a 5-year tour limit to a 7-year tour limit, or (2) just those employees whose 5-year tours would have expired during the pilot period (1998-1999) would go to the 7-year tour limit. No consensus was reached by the Subcommittee on which alternative was preferred. Advantages of option 1 include: it defers the budget impact associated with increased relocations due to reversion to 5-year policy; it allows a longer period to assess the 7-year pilot program; it potentially reduces the overall number of directed reassignments of resident inspectors; and an informal poll indicated it to be the preferred option of resident and senior resident inspectors. Advantages of option 2 include: it returns everybody to the 5-year policy sooner; and it may be accomplished with more certainty due to greater reliance on near-term rather than long-term budget predictions. The Subcommittee recommends that the highest priority be placed on making a decision and notifying the affected staff as soon as possible.
8. **Compensation.** Compensation should include sufficient incentives to recruit and retain high quality employees for the resident inspection program and must be consistent with appropriate law, regulation, and agency policy. Impact on the agency budget must also be considered. Such incentives may be reflected in a special pay schedule, annual bonuses, locality pay, relocation bonuses, or other means as determined by the Agency.

The current annual basic resident pay is set at 8.82% (3 steps) above the regular GG grade level for non-resident positions. This percentage is consistent with the differential established early in the RI program, which was used as an incentive to recruit and retain high quality residents. Due to the advent of locality pay, this pay incentive has been eroded, since full locality pay is not provided to residents. This erosion has, in some cases, contributed to the increased attrition from the RI program in the past few years. This pay incentive should be restored through the application of full locality pay or additional administratively determined pay comparable to the locality pay of region and headquarters personnel. This should be done in such a manner that all resident inspector compensation is counted toward retirement and thrift savings plan benefits. The pay incentive should not be effective until the individual has been given initial certification as an operations inspector in accordance with IMC 1245 (or the associated NMSS guidance).

Residents should not be discouraged from leaving the RI program via competitive promotion. Therefore, the 2-step equivalent promotion rule should be adopted for resident inspectors consistent with other NRC personnel. The 2-step equivalent calculation should be based on the resident pay schedule and should not exceed the step 10 salary of the new grade. A relocation bonus under these circumstances should also be considered (individuals promoted out of the resident program are not currently entitled to relocation bonuses).

The current saved pay provisions allow resident inspectors to save their resident pay upon leaving the program by a management directed reassignment if they've satisfactorily completed 4 years in the program. There is a perceived encouragement under these provisions for residents to leave the program after one site tour through lateral reassignments to the regions or headquarters. The 4-year minimum should be increased to 8 years to encourage residents to remain in the program for more than one tour, thus increasing the experience level in the resident program. Relocation bonuses should continue for all NRC employees who enter, transfer within, or leave the RI program consistent with the current provisions. Individuals directed to a region or headquarters position as a result of less than fully successful performance or for cause would not retain the RI program incentive pay (saved pay) and would not be considered for a relocation bonus.

If an individual responds to an event, the individual should be paid from the time they leave their location to respond to the site until the time they return to their location. The individual should also be paid mileage for traveling to and from a site in response to an event. These payments would be in accordance with applicable

law and regulation.

**ALMPC SUBCOMMITTEE ON RESIDENT ISSUES - MEMBERSHIP**

**Frank Gillespie**, Director of the Division of Inspection and Support Programs, Office of Nuclear Reactor Regulation (NRR), has also served as a Research Division Director, regional Section Chief, and regional inspector.

**Mike Fox**, Chief of Organization and Labor Relations, Office of Human Resources, has also served as Chief of Policy and Labor Relations from 1990-1997.

**Jon Johnson**, Deputy Regional Administrator, Region II, has also served as the Director of the Divisions of Reactor Projects (DRP), Reactor Safety (DRS), and Radiation Safety and Safeguards in Region II, a manager in DRS and DRP in Region I, and both a region-based and senior resident inspector in Region I.

**Pete Hearn**, Executive VP and Chief Steward of NTEU Chapter 208, was also an inspection team leader for the Watts Bar restart and a team member on the Diablo Canyon Fire Inspection Team.

**Steve McCrory**, Reactor Engineer, Region IV, is an NTEU steward and member of the region partnership committee, and has been certified as a operator licensing chief examiner and region-based operations inspector.

**Larry Garner**, Senior Project Engineer, Region II, has also served as senior resident inspector at H.B. Robinson from 1988 to 1993 and resident inspector at Grand Gulf and Brunswick from 1980 to 1988.

**Ron Frahm, Jr**, Reactor Operations Engineer, Inspection Program Branch, NRR, serves as the program manager for the resident inspector program, and has served as a headquarters-based, region-based, and vendor inspector.

## **CURRENT RESIDENT INSPECTION PROGRAM GUIDANCE**

- . NRC Inspection Manual Chapter (IMC) 2515, "Light Water Reactor Inspection Program - Operations Phase," establishes the inspection policy for the overall operating reactor inspection program.
- . IMC 2515-10, "Resident Inspector Policy," establishes the policy on the extent to which resident inspectors are to provide site coverage during normal working hours as well as during late evening and early morning hours and weekends (backshift coverage).
- . IMC 0227, "Career Paths for Resident Inspectors," shows typical career paths for resident and senior resident inspectors and discusses the career advantages of these assignments.
- . IMC 0102, "Oversight and Objectivity of Inspectors and Examiners at Reactor Facilities," describes the policy for management involvement and oversight of NRC activities conducted at reactor facilities.
- . IMC 1201, "Conduct of Employees," describes the policy regarding the standard of conduct of employees involved in the inspection program.
- . IMC 1245, "Inspector Qualification for the Office of Nuclear Reactor Regulation Inspection Program," provides the policy for ensuring that NRC inspection staff possess the established minimum knowledge and qualification requirements.
- . EDO Field Policy Manual No. 8, "Resident Inspector Relocation Policy," establishes the desired maximum tour length of a resident inspector site assignment at 5 years.
- . Position Description PD#G959, "Senior Resident Inspector, GG-0840-14, Division of Reactor Projects," establishes the functional statement, regular duties, and basic skills necessary for the position of Senior Resident Inspector.
- . Position Description PD#G960, "Resident Inspector, GG-0840-13, Division of Reactor Projects," establishes the functional statement, regular duties, and basic skills necessary for the position of Resident Inspector.
- . NUREG-1442/FEMA-REP-17, "Emergency Response Resource Guide," establishes the expected time for NRC site presence in response to an emergency as 2 to 8 hours.
- . Emergency Response Procedure 2252, "Senior Resident Inspector," establishes the Senior Resident Inspector's responsibilities as the Lead Federal Agency representative onsite until relieved by the Site Team Leader.
- . Yellow Announcement No. 94-125, "Changes for Reactor Program Resident Inspectors and Senior Resident Inspectors," Attachment 1 establishes the pay savings provisions (a.k.a. saved pay) and Attachment 2 establishes the relocation bonus provisions.

- . Yellow Announcement No. 95-22, "Changes to the Reactor Resident Inspector Program," established additional policy changes, including the modified pay schedule for residents in high-cost areas; they'll continue to receive the three-step adjustment above the GS rates, but will also receive the locality adjustment for their area minus the locality adjustment for the Rest of U.S.).