

February 6, 2007

MEMORANDUM TO: Chairman Klein  
Commissioner McGaffigan  
Commissioner Merrifield  
Commissioner Jaczko  
Commissioner Lyons

FROM: Luis A. Reyes */RA/*  
Executive Director for Operations

SUBJECT: DISCUSSION OF PLANTS IN THE MULTIPLE/REPETITIVE  
DEGRADED CORNERSTONE COLUMN OF THE REACTOR  
OVERSIGHT PROCESS ACTION MATRIX

Staff requirements memorandum M060516B, Briefing on Results of the Agency Action Review Meeting - Reactors/Materials, dated June 14, 2006, directed the staff to reconsider the point at which licensee senior management should be requested to meet with the Commission to discuss actions being taken to improve the licensee's performance (e.g., when a plant remains in the multiple repetitive/degraded cornerstone column of the reactor oversight process (ROP) Action Matrix for a protracted period) and make a recommendation to the Commission. This memorandum responds to SRM M060516B.

Currently, Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," requires that plants in the multiple repetitive/degraded cornerstone column of the ROP Action Matrix be discussed at the annual agency action review meeting (AARM) and the subsequent Commission briefing on the AARM results. Management Directive (MD) 8.14, "Agency Action Review Meeting," requires that Nuclear Regulatory Commission (NRC) senior managers review agency actions taken in regard to nuclear reactor licensees whose plants have significant performance problems as determined by the ROP Action Matrix. Under MD 8.14, representatives of licensees being discussed at the Commission meeting on the AARM results may be given the opportunity to prepare and deliver briefings (if deemed appropriate by the Executive Director for Operations or the Commission).

Any licensee placed in the multiple/repetitive degraded cornerstone column of the ROP Action Matrix is expected to capture the identified performance deficiencies in its corrective action program and perform an evaluation of the root and contributing causes. The licensee is also expected to perform an independent assessment of its safety culture. The staff then performs Inspection Procedure 95003, "Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input." As part of this inspection, the staff conducts an evaluation of the licensee's independent assessment of safety culture, and conducts its own independent assessment of the licensee's safety culture.

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Following the inspection, the licensee will update its performance improvement plan to capture any new issues, and the NRC will issue a confirmatory action letter to document the licensee's commitments.

Considerable time is required for the licensee and staff to implement the actions relative to the multiple/repetitive degraded cornerstone column detailed in IMC 0305. Typically, evaluating and reviewing licensee actions and conducting an independent review of safety culture require approximately one year to complete, although licensees who are aggressive in addressing their problems may complete their actions sooner.

The staff recommends that it determine, as part of the AARM discussions, whether a licensee should be requested to meet with the Commission to discuss actions being taken to improve the licensee's performance. In general, if the staff determines that the licensee is taking appropriate and timely actions, it would not recommend that licensee senior management be requested to participate in a Commission meeting. However, if the licensee has been in the multiple/repetitive degraded cornerstone column for two years and the staff has concerns regarding the licensee's corrective actions, it would recommend that the licensee be requested to attend a Commission meeting. The staff would document its recommendation in the AARM meeting minutes, which are provided to the Commission in advance of the Commission briefing on the AARM results. The Commission meeting on the licensee's performance would be held subsequent to this briefing if the Commission affirms the staff's recommendation.

The ROP Action Matrix contained in IMC 0305 presently requires that licensee senior management only meet with the Commission when their facility is placed in the unacceptable performance column. The staff recommendation above would require this aspect of the Action Matrix to be revised accordingly. Correspondence with the licensee requesting their presence at a Commission meeting due to prolonged time in the multiple/repetitive degraded cornerstone column, would clearly indicate that plant performance is not viewed as unacceptable.

SECY, please track.

cc: SECY  
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