



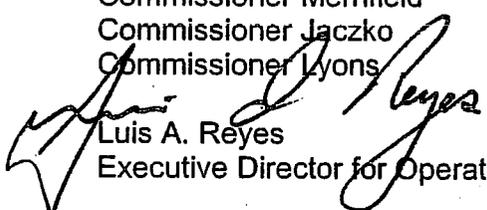
REQUEST REPLY BY: 2/21/07

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

February 6, 2007

Disapproved. See attached comments.

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

FROM: 
Luis A. Reyes
Executive Director for Operations


Dale E. Klein 3/28/07

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.

CONTACT: John Thompson, NRR/DIRS
(301) 415-1011

**Chairman Klein's Comments on COMSECY-07-0005
Plants in the Multiple/Repetitive Degraded Cornerstone of the ROP**

I disapprove the staff's recommendation, as proposed in COMSECY-07-0005, that the staff determine whether a licensee in column 4 of the Reactor Oversight Process (ROP) Action Matrix should meet with the Commission to discuss actions being taken to improve plant performance.

I agree with Commissioner McGaffigan that it would be beneficial for the Commission to be more involved with plants in column 4 in order to better understand the reasons a plant's performance has declined. I also agree with Commissioner Jaczko that a plant being placed in column 4 represents multiple or repetitive instances of degraded performance that are of interest to the Commission.

The current process does not involve the Commission until a licensee enters the unacceptable region of performance in column 5. I believe there is value in having a public Commission meeting with the senior licensee executives before a plant reaches the unacceptable level of performance. Therefore, I join with my fellow Commissioners in supporting changes to the current ROP procedures to facilitate earlier Commission meetings with licensees of poor performing plants.

Accordingly, I propose changes to the current procedures to include the provision that a licensee who moves into column 4 or who remains in column 3 for 3 years should be invited to meet with the Commission within 1 year after either event occurs.

 3/28/07
Dale. E. Klein Date



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February 6, 2007

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

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

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

Disapproved (see comments)
E. Mc Gaffigan
3/21/07

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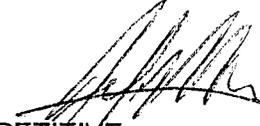
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MEMORANDUM TO: Chairman Klein
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 Commissioner Merrifield
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 Commissioner Lyons

FROM: 
 Luis A. Reyes
 Executive Director for Operations

SUBJECT: DISCUSSION OF PLANTS IN THE MULTIPLE/REPETITIVE
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 OVERSIGHT PROCESS ACTION MATRIX

*I agree in part
 and disagree in part.
 see attached comments.*


 2/22/07

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.

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Commissioner Merrifield's Comments on COMSECY-07-0005
Discussion of Plants in the Multiple/Repetitive Cornerstone
Column of the Reactor Oversight Process Action Matrix

I approve, in part, the staff's recommendation, however, I do not believe that it goes far enough.

In the briefing of May 16, 2006, I expressed a frustration with the degree to which the Reactor Oversight Process seems to insulate licensees from directly engaging with the Commission until the situation has deteriorated substantially. I suggested that the Commission may need to think about tweaking the Reactor Oversight Process and used the example that if a licensee remained in Column 4 of the Action Matrix for an extended period of time then a discussion between the Executive Director for Operations and the Chief Nuclear Officer may no longer be sufficient.

In response to the meeting SRM, the staff offered a simple alternative. I support the view that the Agency Action Review Meeting is the correct forum to discuss whether a licensee should be requested to meet with the Commission to discuss their actions to improve their performance. However, my frustration has not been with whether the licensee was taking what the staff felt were appropriate and timely actions. My frustration is centered around the inability of the licensee to demonstrate progress in moving back up the action matrix or worse that performance continues to degrade and the licensee moves into a worse situation without the Commission being able to understand or discuss those circumstances directly with the licensee senior management. Therefore, I believe that a licensee that has been in Column 4 for a period of two years should be required to have their Chief Executive Officer attend a Commission meeting to explain what they are doing to resolve the situations that keep them in Column 4 whether the staff views the actions appropriate or not.

I am aware that there may be some of our staff who might be uncomfortable with this opinion. I disagree. In many states, energy Chief Executive Officers are required to directly engage with public utility commissions to seek tariff charges, so the notion of an appearance like this is not unusual. Additionally, the Institute of Nuclear Power Operations (INPO) requires Chief Executive Officers to meet with a panel of their peers to describe their actions. To assert that a safety commission such as ours should demand less of our licensees simply doesn't make sense.

In line with my views, I would strongly suggest that a licensee that has been in Column 3 for several years and moves to Column 4 as well as a licensee that continues to languish in Column 3 for a period of 3 years or more should be considered strong candidates for a meeting with the Commission.



2/23/07



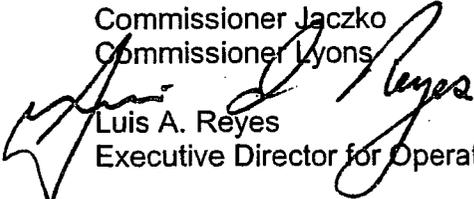
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February 6, 2007

Disapprove. See attached comments.

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

3/22/07
 Gregory B. Jaczko Date

FROM: 
 Luis A. Reyes
 Executive Director for Operations

SUBJECT: DISCUSSION OF PLANTS IN THE MULTIPLE/REPETITIVE
 DEGRADED CORNERSTONE COLUMN OF THE REACTOR
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**Commissioner Jaczko's Comments on COMSECY-07-0005
Plants in the Multiple/Repetitive Degraded Cornerstone of the ROP**

I disapprove the staff's recommendation that the staff make each determination of whether a licensee in column 4 of the Reactor Oversight Process Action Matrix should meet with the Commission to discuss actions being taken to improve the licensee's performance. Entry into column 4 by a plant clearly represents multiple instances of degraded performance. I am concerned that in many cases plants have remained in column 4 for several years. I don't believe it was the intent that plants continue in column 4 for such extended periods of time.

For the Commission to better understand the reasons a plant's performance has declined, I agree with Commissioner McGaffigan that new plants entering column 4 should appear before the Commission in a meeting on the licensee's performance soon after they enter column 4.

Further, I believe that annually after their entry into column 4, the licensees should be invited to a Commission meeting. Providing for these annual invitations to column 4 licensees would provide the Commission with better information about the state of performance and the actions taken to correct performance.



Gregory B. Jaczko

3/22/07

Date

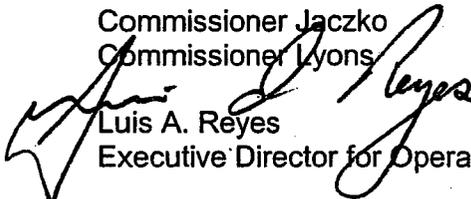


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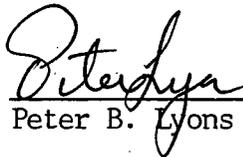
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February 6, 2007

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

FROM: 
 Luis A. Reyes
 Executive Director for Operations

Approved in part and Disapproved
 in part, with comment.


 Peter B. Lyons
 Date 3/23/07

SUBJECT: DISCUSSION OF PLANTS IN THE MULTIPLE/REPETITIVE
 DEGRADED CORNERSTONE COLUMN OF THE REACTOR
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Commissioner Lyons' Comments on COMSECY-07-0005

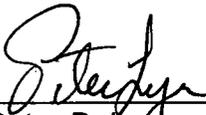
Discussion of Plants in the Multiple/Repetitive Degraded Cornerstone Column of the
Reactor Oversight Process Action Matrix

I continue to remain intensely interested in the performance of our operating reactors and the progress that poorer performing plants are making to improve. For this reason I largely join Commissioner Merrifield in supporting a change to our procedures, and partially approve and partially disapprove the staff's recommendation.

I support inviting senior licensee management to meet with the Commission in a public meeting to be scheduled normally during the fourth quarter following the quarter in which that plant was placed in the Multiple/Degraded Cornerstone column of the Action Matrix. My expectation is that by then a licensee should be on a demonstrable improvement path and the Commission will be interested in hearing from senior licensee management that such improvement has started and will be sustained until the plant is removed from this column.

Subsequent to that initial meeting, I would support the staff's recommendation that such meetings would not be mandatory provided the staff's assessment of licensee performance is that improvements are being made.

However, if the plant remains in the Multiple/Degraded Cornerstone column of the Action Matrix for greater than 16 consecutive quarters, then the staff should either schedule another such meeting not later than six months following the 16th quarter or justify a recommendation to the Commission that such a meeting is not necessary.


Peter B. Lyons 3/23/07
Date