

March 14, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - BRIEFING ON ANALYSIS OF QUANTIFYING PLANT WATCH LIST INDICATORS (ARTHUR ANDERSEN STUDY), 2:30 P.M., TUESDAY, FEBRUARY 18, 1997, COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

The Commission was briefed by the NRC staff on the results of the Arthur Andersen report dealing with the Senior Management Meeting (SMM) and the processes used for placing plants on and removing them from the watch list. The Commission noted that the staff is planning to submit a paper with recommendations on improvements to the SMM process by the end of March. The staff should specifically consider the extent to which objective performance information can be used in the decision processes, with new indicators being phased in as appropriate. The staff should consider the use of a "plant performance" template to help display the objective performance information. In addition, the staff should clearly explain and describe the decisionmaking process, especially with regard to one which starts with a rebuttable presumption.

The staff should design the "screening meetings" to be as objective as possible in selecting facilities to be discussed in the senior management meeting. Regarding the senior management meeting itself, a connection must be shown between facility performance information and the ensuing decisions, such as the use of the "plant performance" template referred to above. Additionally, consistency should be sought between the senior management meeting decisions and decisions which are reached in other evaluative processes.

(EDO)

(SECY Suspense: 3/31/97)

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
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CFO
CIO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
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