

May 17, 2000

MEMORANDUM TO: William D. Travers  
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - SECY-00-0049 - RESULTS OF THE  
REVISED REACTOR OVERSIGHT PROCESS PILOT  
PROGRAM (Part 2)

In a Staff Requirements Memorandum dated March 28, 2000, the Commission approved the initial implementation of the revised reactor oversight process (RROP) and termination of the Systematic Assessment of Licensee Performance (SALP) process. The SRM (Part 1) indicated that this follow up SRM (Part 2) containing more detailed Commission guidance would be forthcoming.

The full-scale initial implementation of the RROP will inevitably reveal issues that were not exposed in the pilot program. The staff should anticipate that adjustments – perhaps significant adjustments – will be necessary as the program unfolds. As a result, there should be a continuing open dialogue with NRC licensees, other stakeholders, and staff, as issues are encountered. The staff should keep the Commission informed and should promptly bring issues of policy significance to the Commission for resolution. In refining the RROP, the staff should consider the general issues discussed below:

#### General

- The staff should convene another evaluation panel under the Federal Advisory Committee Act during the first year of initial implementation, with a cross section of stakeholders similar to those who participated in the original evaluation panel. The staff should include at least one resident inspector and one senior reactor analyst on this “Initial Implementation Evaluation Panel.”
- The staff should minimize deviations from the Action Matrix, clearly document the basis for the deviations, and clearly explain the basis for deviations to all stakeholders. During the initial implementation phase, ending in June 2001, Action Matrix deviations should be preapproved by the EDO. In its report to the Commission on the initial implementation phase of the RROP, the staff should provide a summary of the deviations from the Action Matrix, recommendations on a method to assure agency-wide consistency when deviating from the Action Matrix, and recommendations on how to keep the Commission currently informed of such deviations. Furthermore, during the initial implementation phase, the staff should inform the Commission whenever it determines that such a deviation is warranted.

- NRC management should undertake continuing dialogue with the staff, including in particular the inspection staff, to stay abreast of concerns with initial implementation of the RROP and to assure that these concerns are thoroughly aired and addressed.
- Up to now, the staff has clearly communicated the performance indicators and inspection program as essential elements of the RROP. In its ongoing communication efforts the staff should emphasize the importance of the licensee corrective action programs (CAPs) and the integral role that each licensee must play, i.e., that the new process places greater responsibility on the utilities that operate nuclear power plants. The staff should more clearly articulate the role of licensee CAPs, with self-assessment, as the beginning and the end of this process.

The Commission approved the staff's recommendations regarding resolution of the three "Issues of Note;" 1) addressing cross-cutting issues and programmatic breakdowns in the RROP, 2) eliminating the containment leakage performance indicator and addressing the barrier integrity PIs during the first year of RROP implementation, and 3) treating inspection findings involving licensee performance issues that are outside the licensing and design basis of the plant in accordance with the Action Matrix, while ensuring all requirements for backfitting a licensee are met before imposing any new regulatory requirements. In addressing the "Issues of Note," the staff should consider the issues discussed below:

#### Issue of Note 1: Crosscutting Issues and Programmatic Breakdowns

- NRR and regional management should ensure that the threshold for documenting observations is clearly understood and consistently applied. They should also take steps to assure that inspector observations are placed in an appropriate context and do not undermine the overall effort to put inspection and enforcement efforts on a more objective and consistent foundation.
- The staff should show that cross-cutting issues they identify have a clear and strong link to significant inspection findings or degraded PIs before the staff attempts to take action on programmatic concerns.
- In its report to the Commission on the initial implementation phase of the RROP, the staff should discuss every case in which enhanced NRC action was taken based on cross-cutting issues.

#### Issue of Note 3: Performance Issues Outside Licensing and Design Basis

- The staff should continue to work with NRC stakeholders to resolve this issue while maintaining its appropriate sensitivity to backfit implications.
- The staff should specifically discuss this issue when they report to the Commission on the results of the first year of RROP implementation.

The staff should report on implementation of the RROP results after the first year of use.  
 (EDO) (SECY Suspense: 6/29/01)

cc: Chairman Meserve  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
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