

April 12, 2001

MEMORANDUM TO: Brian W. Sheron
Associate Director for Project Licensing & Technical Analysis
Office of Nuclear Reactor Regulation

R. William Borchardt
Associate Director for Inspection & Programs
Office of Nuclear Reactor Regulation

FROM: John A. Zwolinski, Director */RA/*
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

SUBJECT: COMPLETION OF STEAM GENERATOR ACTION PLAN ITEM NO. 2.3
(TAC NO. MB0258)

As discussed in the Steam Generator (SG) Action Plan dated November 16, 2000 (ADAMS Accession No. ML003770259), completion of each of the major milestones in the action plan is to be documented by a memorandum/report provided by the lead division to the associate directors in the Office of Nuclear Reactor Regulation (NRR). This memorandum documents completion of the following SG Action Plan milestone (note, the milestone item number is as denoted in the revision of the SG Action Plan dated March 23, 2001 (ADAMS Accession No. ML010820457)):

Item No. 2.3 Review and revise, as appropriate, the policy for project manager involvement with the morning call between the resident inspectors and the region.

On August 29, 2000, the NRC's Office of the Inspector General (OIG) issued its report titled, "NRC's Response to the February 15, 2000, Steam Generator Tube Rupture at Indian Point Unit 2 Power Plant" (ADAMS Accession No. ML003746663). The OIG initiated this inquiry because of concerns from Congress and the public about the Indian Point 2 event. Page 22 of the OIG report discusses the lack of involvement by the Indian Point 2 (IP2) Project Manager (PM) in the daily conference call between the resident inspectors and the region

By memorandum dated August 30, 2000, Chairman Meserve directed a review and analysis of the issues raised in the OIG report. The Chairman also requested that the staff provide recommendations for improving NRC processes as may be warranted. The staff provided its review and analysis of the OIG report in a memorandum from the Executive Director for Operations (EDO) to the Commission dated November 3, 2000 (ADAMS Accession No. ML003753067).

Attachment 4 of the EDO's memorandum discusses the issue raised by the OIG regarding the PM's lack of involvement in the daily conference call between the resident inspectors and the region. As discussed in this attachment, the staff concluded that:

The IP2 PM's actions were consistent with NRC management's expectations, however, NRR is reviewing the policy for PM involvement with the morning call between the resident inspectors and the region and will revise the guidance to PMs, if necessary.

Based on the staff's conclusion, one of the recommendations for improving NRC processes as documented in Attachment 3 of the EDO's memorandum (and later incorporated into the SG Action Plan as milestone Item No. 2.3) was to:

Review and revise, as appropriate, the policy for project manager involvement with the morning call between the resident inspectors and the region.

The review and analysis of this policy issue is provided in a memorandum from the Lead PM of the SG Action Plan to the Director, Division of Licensing Project Management (DLPM) dated March 23, 2001 (ADAMS Accession No. ML010860133). As discussed in this memorandum, based on discussions with various staff members in DLPM, the Division of Inspection Program Management (DIPM), and staff from Regions I-IV it was concluded that:

- 1) Many of the branches in most Regional Offices typically have a daily conference call between the Division of Reactor Projects (DRP) Branch Chief (BC) and the Resident Inspectors (RIs) for the plants in the respective branch (frequently referred to as the "morning call").
- 2) The primary purpose of the morning call is for exchange of plant status information between the RIs and the BC.
- 3) Not all PM's participate in the morning call (if one is held for the respective plant).
- 4) It is NRC management's expectation that the PM and RI should exchange phone calls at least several times each week in order to discuss plant status and other routine matters. PM participation in the morning call is not required, although it is an efficient means of ensuring that the PM is kept informed of plant status and other routine matters affecting the plant. For non-routine matters (e.g., plant events, contentious licensing issues), communication by the PM or RI should be as soon as possible consistent with the safety significance of the event/issue.

The policy regarding PM interactions with the regional office and RIs is discussed in Section 2.4.2 of the "Operating Reactor Project Manager's Handbook" (PM Handbook) which is maintained electronically on the NRC Internal Homepage. The current version of the PM Handbook states the following:

At the minimum, the PM and RI should exchange phone calls several times each week to discuss the status of the plant. In practice, most PMs and RIs maintain frequent telephone contact. The call should be used for routine matters. Nonroutine events/issues should be communicated by the RI or PM as soon as possible consistent with the safety importance of the event/issue.

In order to clarify the policy regarding PM involvement with the morning call, the above paragraph will be replaced with the following paragraph:

It is NRC management's expectation that the Project Manager (PM) and Resident Inspector (RI) should exchange phone calls at least several times each week in order to discuss plant status and other routine matters. Many of the branches in most Regional Offices (ROs) typically have a daily conference call between the Division of Reactor Projects (DRP) Branch Chief (BC) and the RIs for the plants in the respective branch (frequently referred to as the "morning call"). The primary purpose of the morning call is for exchange of plant status information between the RIs and the BC. Some PM's may choose to participate in the morning call as the normal means of communication with the RI. PM participation in the morning call is not required although it is an efficient means of ensuring that the PM is kept informed of plant status and other routine matters affecting the plant. For non-routine matters (e.g., plant events, contentious licensing issues), communication by the PM or RI should be as soon as possible consistent with the safety significance of the event/issue.

These changes to the PM Handbook have been distributed (via the memorandum dated March 23, 2001) to the DLPM team that is presently developing the Licensing Project Management Handbook which will supercede the existing PM Handbook. Since the initial version of the new handbook is not expected to be issued for several months, the above revised policy regarding PM involvement with the morning call was distributed to DLPM staff via email on April 5, 2001.

April 12, 2001

At the minimum, the PM and RI should exchange phone calls several times each week to discuss the status of the plant. In practice, most PMs and RIs maintain frequent telephone contact. The call should be used for routine matters. Nonroutine events/issues should be communicated by the RI or PM as soon as possible consistent with the safety importance of the event/issue.

In order to clarify the policy regarding PM involvement with the morning call, the above paragraph will be replaced with the following paragraph:

It is NRC management's expectation that the Project Manager (PM) and Resident Inspector (RI) should exchange phone calls at least several times each week in order to discuss plant status and other routine matters. Many of the branches in most Regional Offices (ROs) typically have a daily conference call between the Division of Reactor Projects (DRP) Branch Chief (BC) and the RIs for the plants in the respective branch (frequently referred to as the "morning call"). The primary purpose of the morning call is for exchange of plant status information between the RIs and the BC. Some PM's may choose to participate in the morning call as the normal means of communication with the RI. PM participation in the morning call is not required although it is an efficient means of ensuring that the PM is kept informed of plant status and other routine matters affecting the plant. For non-routine matters (e.g., plant events, contentious licensing issues), communication by the PM or RI should be as soon as possible consistent with the safety significance of the event/issue.

These changes to the PM Handbook have been distributed (via the memorandum dated March 23, 2001) to the DLPM team that is presently developing the Licensing Project Management Handbook which will supercede the existing PM Handbook. Since the initial version of the new handbook is not expected to be issued for several months, the above revised policy regarding PM involvement with the morning call was distributed to DLPM staff via email on April 5, 2001.

DISTRIBUTION

PUBLIC	EAdensam	JClifford	RBlough, RGN-I
HBell, OIG	GJanosko	REnnis	LPlisco, RGN-II
SCollins/JJohnson	SBajwa	RCorreia	GGrant, RGN-III
JZwolinsk	SRichards	PMilano	KBrockman, RGN-IV
SBlack			

Filename: C:\memo sgap item 2.3.wpd

ADAMS Accession Number: ML011020026

OFFICE	PDI-2/PM	PDI-2/LA	PDI-2/SC	PDI/D	DLPM/D
NAME	REnnis	TClark	JClifford	EAdensam	JZwolinski
DATE	4/9/01	4/9/01	4/10/01	4/11/01	4/11/01

OFFICIAL RECORD COPY