



NUCLEAR ENERGY INSTITUTE

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12/14/00 (7)Stephen D. Floyd  
SENIOR DIRECTOR,  
REGULATORY REFORM  
NUCLEAR GENERATION

April 13, 2001

Mr. Michael T. Lesar  
Acting Chief, Rules and Directives Branch  
Division of Administrative Services  
Office of Administration  
U.S. Nuclear Regulatory Commission  
Mail Stop: T-6 D59  
Washington DC 20555-0001

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SUBJECT: Public Comment on the First Year of Initial Implementation of the  
Reactor Oversight Process (ROP)

Dear Mr. Lesar:

On behalf of the nuclear energy industry, the Nuclear Energy Institute (NEI) is submitting the enclosed comments on the first year of initial implementation of the Reactor Oversight Process (ROP), as requested by the Nuclear Regulatory Commission in the *Federal Register* on December 14, 2000 (65 Fed. Reg. 78215).

We appreciate NRC's approach throughout the development and first year of implementation of the new ROP. The continuing degree of public interaction and cooperation exhibited by all stakeholders has allowed the process to effectively address most emerging questions and unforeseen concerns in a timely and fair manner. Without forsaking its responsibility to make the final decision, NRC has been willing to openly share its ideas and to allow public comment on a real-time basis. The result has been a far better product than could have been achieved in the past. This new paradigm of communication and understanding between the regulator, licensees and the non-industry public is to be commended. It should also be emulated for future regulatory improvement initiatives.

The issues provided in the enclosure reflect information accumulated during an industry workshop conducted in January of this year, as well as individual suggestions provided by NEI member companies. While the enclosure provides specific comments on questions posed by the NRC, there are several issues that we believe should be emphasized:

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1. Concerted effort is necessary to address the mitigating systems performance indicator. The inconsistency between NRC, WANO, EPIX, Maintenance Rule, and probabilistic risk assessments need to be addressed as soon as possible. The differences in definitions cause a great deal of unnecessary burden to the plant personnel required to report data. Among the issues which need to be addressed are: (1) whether design basis or risk-important functions are used; (2) unreliability versus unavailability; (3) fault exposure; (4) credit for operator action, and (5) the differences between the thresholds of performance and action under the maintenance rule and the ROP. It is important that the ROP not create disincentives for appropriate plant maintenance.

We recommend that NRC, with stakeholder involvement, expedite the development and implementation of a common unavailability definition and common threshold alignment between the ROP and the Maintenance Rule performance criteria. We are ready to fully support an expedited effort.

2. The reactor safety Significance Determination Process (SDP) is a useful and conservative tool for assessing risk; however, NRC management needs to place priority on the completion of Phase 2 screening sheets to make the SDP an efficient and fully implementable product.

The non-reactor safety SDPs offer significantly more consistency to the process when compared to the prior inspection process. However, these SDPs did not benefit from the same review and use during the pilot process as did the reactor SDP. As a result, problems have arisen in the physical security, ALARA, and fire protection areas which need to be resolved in a public and controlled manner. We believe a process similar to that used to manage change in the PIs should be applied to changes in SDPs, to include setting clear criteria for change, table-top testing and piloting, and training for NRC and industry before implementation.

3. We have not noted any unintended safety consequences of the performance indicators (PIs). However, we would like to address several situations which have been discussed by internal and external stakeholders over the past year.
  - With regard to the counting of manual scrams, industry believes that the proposed replacement for counting automatic and manual scrams will place the emphasis in the proper area: that is, the initiating event which caused the reactor shutdown and not the actions taken in response to the initiating event.
  - We are aware of a concern by some in the NRC that the unplanned power change PI is susceptible to manipulation by the licensee; however, there have

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been no actual examples in which safety was even a peripheral issue. Licensees continue to operate their plants in accordance with procedures and in a safe manner.

- As the industry moves into a deregulated environment, power reductions may be planned as part of economic and power availability considerations. Proactive down powers to improve reliability will likely become more common. NRC has under consideration major changes to the power change indicator, and it is important that plants not be unwisely penalized for taking appropriate actions to operate their plants in a safe and economic fashion. This comment could also be made about the current power change indicator. We believe that all stakeholders should work together to devise a PI that satisfies the need for meaningful indicators that do not penalize appropriate operations.
4. A key premise of the new ROP is that weaknesses in cross-cutting issues, such as the corrective action program, will manifest themselves in the PIs and inspection findings by crossing thresholds to be greater than green (the licensee response band). Having been revealed through the PIs or inspection findings, the weaknesses can be addressed through licensee actions and NRC supplemental inspection to ensure performance is improved before safety is compromised. A review of the first nine months of the ROP shows a good correlation between plants with weaknesses in the corrective action program (inspection findings mentioning the corrective action program) and plants which have crossed PI or inspection safety significance thresholds. Reviews of inspection reports also show that there are no plants with significant comments in Problem Identification and Resolution (PI&R) which have not also crossed PI and/or safety-significant inspection thresholds. While this is preliminary data, it does support this key premise of the new program. We believe the program is working as intended, and therefore, no additional PIs or SDPs are necessary in the cross-cutting areas.
  5. Additional opportunities exist to make the inspection and oversight process more efficient with less burden on licensees. For example:
    - With the merging of many licensed operators into larger multi-site companies that share common programs and procedures, efficiency will be gained by combining programmatic inspections. A single inspection can review a common program used by multiple sites. This common inspection will reduce the inspection resources and the fees billed to a licensee while still providing adequate assurance of the program's wellness.

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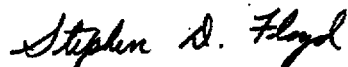
- Industry efforts in the area of self-assessment could also provide an opportunity for more efficient use of NRC resources and unnecessary burden reduction. We would recommend a pilot effort to take advantage of licensee self-assessment in lieu of current inspector resources for certain inspection procedures. For example, NRC could participate as an evaluator on the assessment team rather than send in its own team. The evaluator could determine if the assessment approach, methodology and results meet NRC standards such that the assessment could replace an NRC inspection. Among the areas in which self-assessment could be used in place of full NRC inspections are: Problem Identification and Resolution, Safeguards Performance Assessment, and Fire Protection.

We recognize that further refinements to the ROP will occur in the future. The ROP should be a continuously improving process which corrects weaknesses, while maintaining stability through well thought out change management processes. We believe the program is now operating in an effective manner, and is a vast improvement over the previous inspection, assessment and enforcement process of industry oversight. With the resolution of the above issues, NEI believes that the new oversight process can be successful in achieving its goals to:

- ensure that nuclear power plants continue to operate safely;
- improve NRC efficiency by focusing resources;
- reduce unnecessary regulatory burden on licensees; and
- enhance public confidence in the safe operation of nuclear power plants.

The industry looks forward to a continuing dialogue with the NRC and other stakeholders as we enter the second year of program implementation.

Sincerely,



Stephen D. Floyd

Enclosure

Enclosure

**RESPONSE TO FEDERAL REGISTER NOTICE QUESTIONS****I. Questions related to the efficacy of the overall process (as appropriate, please provide specific examples and suggestions for improvement):****1. *Does the ROP (Regulatory Oversight Process) provide adequate assurance that plants are being operated safely?***

Yes. The ROP provides a uniform, consistent process by which NRC deploys its inspection forces to determine whether plants are being operated safely. The inspection program consists of a baseline program of inspections for all plants, and additional inspection, as NRC deems necessary based on a consistent, repeatable and scrutable process, to assure operational safety. The ROP provides a framework in which safety performance is reviewed in each of seven specific cornerstones. The key attributes to assure operational safety for each of the cornerstones are assessed using performance indicators and risk-informed assessments of inspection findings. These performance indicators and inspection finding safety determinations provide a consistent, measurable, and objective assessment of nuclear power plant safety performance. Performance can be judged in a disciplined manner and appropriate resources deployed based on safety performance. Thresholds of safety performance exist such that issues can be addressed and corrected in a timely manner to assure operating safety.

**2. *Does the ROP provide sufficient regulatory attention to utilities with performance problems?***

Yes. The ROP is specifically devised to increase the level of regulatory attention to plants with performance problems by additional inspection oversight commensurate with the level of safety performance. Four bands of safety performance exist which provide for a graduated increase in oversight as performance degrades, moving from the baseline inspection, through supplemental inspections, to the potential for a shutdown order. In addition, the ROP reviews performance across each cornerstone of safety, and across all cornerstones (using the Action Matrix), to assess potential weaknesses and assign additional oversight resources as necessary. The current NRC website clearly displays the different levels of attention being paid to plants with different levels of performance.; i.e., it shows that several plants have in fact exceeded thresholds of performance and have received the appropriate graduated level of increased NRC attention.

**3. *Does the ROP reduce unnecessary regulatory burden on licensees?***

Overall there has been a reduction in regulatory burden on licensees. The burden has primarily been reduced due to the Significance Determination Process (SDP) and the new Enforcement Policy which is aligned with the SDP. In most cases, the SDP assessment of inspection findings has had the positive effect of placing minor issues and minor violations in a proper risk perspective. These issues can be placed in the licensees corrective action program, and NRC's and licensee's time and effort can be devoted to more risk important issues. The new Enforcement Policy also reduces the administrative

and management burden associated with documenting and responding to cited violations of low safety significance.

It should be pointed out however, that there are additional improvements which can be made in reducing unnecessary regulatory burden.

First, concerted effort is necessary to address the mitigating systems performance indicator. The inconsistency between NRC, WANO, the Equipment Performance and Information Exchange (EPIX), Maintenance Rule, and probabilistic risk assessments needs to be addressed as soon as possible. The differences in definitions cause a great deal of unnecessary burden to the plant personnel required to report data. Among the issues which need to be addressed are: (1) whether design basis or risk important functions are used; (2) unreliability versus unavailability; (3) fault exposure; (4) credit for operator action, and (5) the differences between the thresholds of performance and action under the maintenance rule and the ROP. It is important that the ROP not create disincentives for appropriate plant maintenance.

Second, some inspectors are pursuing issues that have negligible safety significance and no historical regulatory basis. In some cases, the acceptance criteria and/or thresholds established in the inspection modules and SDP have no regulatory basis (for example, the dose-based criteria in the ALARA module and SDP). Examples can be found in the security, radiation protection, and fire protection inspection modules and the SDPs. This results in issues being pursued that are not regulatory-based or have low safety significance.

Third, the Performance Indicator process, if not effectively managed, could become unnecessarily burdensome. For example, some inspectors are devoting excessive effort to inspecting the detailed reporting of PIs and trying to identify undercounting in amounts of hours that are just so small as to not be worth the effort. The PIs are meant to be indicators, and investing inspection and licensee resources to address reporting issues which are *de minimus* is not using resources wisely. NRC management oversight of NRC resources devoted to PI verification should be enhanced.

Fourth, while some plants have experienced a decrease in inspection hours, others, which previously were viewed as top performers ("SALP 1"), now receive more inspection than under the old program. Over time, it should be possible for NRC to align its inspection resources more appropriately based on the objective criteria of the Action Matrix, such that better performers receive less inspection. Areas of the baseline which should be reviewed in this regard include the inspections of Problem Identification and Resolution, design engineering, and radiation protection.

*4. Does the ROP improve the efficiency, effectiveness, and realism of the regulatory process, focusing NRC resources on those issues with the most safety significance?*

Overall, yes. The greatest improvement in focus has been in the reactor safety area where the performance indicators and reactor SDP have permitted NRC and licensees to allocate resources based on safety significance. While an improvement, the gains in

efficiency, effectiveness and realism have been less pronounced in the radiation protection, physical security, fire protection, and safety system design inspection areas.

5. *Has the public information associated with the ROP been appropriate to keep the public informed, in a timely and understandable fashion, of NRC activities related to plant safety? (Examples: NRC plant performance web page, Plant Performance Indicators, NRC Inspection Reports, Assessment Letters, ROP guidance documents and implementation procedures, NRC ROP website, press releases.)*

Yes, the public information associated with the ROP has been appropriate and the website has expanded the amount of information available to the public with a format that is easy to use and understand. It is evident that the NRC considers public information on the new process to be of very high significance, and the staff has obviously expended significant worthwhile efforts to make information timely, user-friendly, and very available to experts and laymen alike.

There is a perception among some of the public that the new Reactor Oversight Process consists solely of the "Performance Indicators" and less awareness of the improved Inspection Process, Significance Determination Process, Action Matrix, and Enforcement Policy. Criticism has been unfairly made that if most licensees are "all Green" then the process isn't working – ignoring the fact that the 18 Performance Indicators are only a small part of how the NRC assesses licensee performance. NRC has been upgrading the website format to improve this situation.

The website convention of using the color blue to denote "no color" findings without explanation is confusing. It tends to inappropriately draw attention to these issues in that they are notably different than the vast majority of findings/violations that are Green. (The use of no color findings is also confusing to licensees.) NRC initiatives to reduce or eliminate the use of no color findings should be continued. We recommend NRC limit no color findings to the original intent of addressing enforcement policy exceptions (e.g., willfulness, withholding information).

6. *Does the ROP increase the predictability, consistency, clarity and objectivity of the NRC's oversight activities?*

In general, the ROP does increase the predictability, consistency, clarity, and objectivity of the NRC's oversight process. The NRC is following the action matrix without exception, and in general appears to be following its new process procedures. There are inconsistencies across the NRC regions, however. In part this is due to the fact that the process is only a year old, and all aspects of the program have not yet been exercised. Industry is pleased with the NRC's efforts to achieve consistency and their willingness to address instances in which activities vary from region to region. We note that most of the inconsistency is in the area of low safety significance. Issues of more than minor significance are treated in a consistent and predictable manner. This is due, for the most part, to the SDPs which have been developed.

There do appear to be inconsistencies in the identification of minor violations, non-cited violations and crosscutting issues. In particular, the crosscutting issues are not well defined, nor is it well understood how they are to be inspected or evaluated. As a result, the crosscutting issues have the possibility of becoming a "storage bin" for issues that do not rise to the safety significance required by the Commission for being formally cited in an inspection report.

The guidance in IMC 0610\* (10/6/00) for issue characterization is very subjective and should be clarified. For example, the terms in the Group 1 questions should be defined to ensure consistent interpretation and application, and examples should be given. We recommend that NRC devote additional effort to the guidance document to ensure that a common interpretation can be made across regions and inspectors. This guidance should be explained to licensees and other external stakeholders in a public meeting. The final guidance should only be in one document to avoid inconsistency between the two. Also, there are several inconsistencies in the issue characterization process as described in IMC 0610\* and IMC 0609. We recommend that issue characterization in IMC 0609 be eliminated to avoid unnecessary duplication and inconsistencies with 0610\*. Also, to ensure licensee/public understanding of the basis for characterization of a particular issue, IMC 0610\* should require that inspectors document in inspection reports the disposition of issues through the various stages of the issue characterization process.

The NRC currently keeps the "Inspection" window color for four quarters in assessing the Action Matrix, whereas PI metric window colors are determined each quarter (based on a data period of one to three years). Since follow-up inspection on a non-Green PI and/or inspection finding is typically performed/completed by the next quarter, keeping the greater than green colored finding after correction of the problem does not reflect current performance. We support the concept of a graded "reset" of the White inspection finding window after two quarters, the Yellow inspection finding window after three quarters, and the Red inspection finding after four quarters (from the date of the FINDING).

*7. Has the public been afforded adequate opportunity to provide input/comments and involvement in the ROP development process?*

The NRC has been very proactive in public involvement with the ROP. Throughout the process the NRC has used public meetings to develop the new process, has held workshops to explain the implementation of inspection and reporting of performance indicators, has conducted lessons learned meetings, and has provided many opportunities for formal comment via Federal Register Notices. In addition, many public meetings have been conducted at plant sites to provide ample opportunity for local public participation.

*8. Has NRC been responsive to input/comments provided by the public regarding the ROP development process?*

The industry cannot comment on whether the non-regulated public feels the NRC has been responsive to its input. However, we have noted the efforts of NRC staff to listen

and respond to the public's comments and have seen changes made to the program based on that input.

*9. Please provide any additional (brief) information or issues related to the reactor oversight process.*

We support the NRC's change management process to control evolution and necessary improvements to the program. The change management process allows for stability by requiring careful consideration of potential changes to the program, and piloting of performance indicator changes. The FAQ element of the change process has been a very positive element of the program, providing a timely and responsive mechanism to ask questions about the implementation of PIs. In addition, the NRC has been responsive to questions about SDPs and inspection findings, addressing them primarily through questions at public meetings. We believe it would be appropriate to consider placing some information on SDP issues on the NRC website, after the SDP finding has become final. We believe more than minor changes to inspection procedures, SDPs, and the Action Matrix should be piloted in the same way as new performance indicators. This approach would avoid unintended consequences (such as occurred in the physical security SDP) and ensure that the changes would indeed be an improvement to the ROP.

During the initial year of the ROP period, a special Enforcement Discretion period was created whereby interpretations in the guidance would not be subject to Enforcement. This Enforcement Discretion period expired on January 31, 2001. We believe that if a new PI is implemented, that NRC should provide discretion during the first year of implementation of the new PI.

**II. Questions related to specific ROP program areas (As appropriate, please provide specific examples and suggestions for improvement.):**

*1. Do the performance indicators or other aspects of the ROP create unintended consequences? (Please comment on the potential of unintended consequences associated with the counting of manual scrams in the Initiating Event Cornerstone Performance Indicators.)*

We have not noted any unintended safety consequences of the performance indicators. However, we would like to address several situations which have been discussed by internal and external stakeholders over the past year.

With regard to the counting of manual scrams, industry believes that the proposed replacement for counting automatic and manual scrams will place the emphasis in the proper area: that is, the initiating event which caused the reactor shutdown, and not on the actions taken in response to the initiating event.

We are aware of a concern by some in the NRC that the unplanned power change PI is susceptible to manipulation by the licensee; however, there have been no actual examples

in which safety was even a peripheral issue. Licensees continue to operate their plants in accordance with procedures and in a safe manner.

As the industry moves into a deregulated environment, power reductions may be planned as part of economic and power availability considerations. Proactive down powers to improve reliability will likely become more common. NRC has under consideration major changes to the power change indicator and it is important that plants not be unwisely penalized for taking appropriate actions to operate their plants in a safe and economic fashion. This comment could also be made about the current power change indicator. We believe that all stakeholders should work together to devise a performance indicator that satisfies the need for meaningful indicators which do not penalize appropriate operations.

The implementation of the NRC PIs and the inclusion of the Maintenance Rule Program as one of the ROP inspectable areas has resulted in increased regulatory oversight of planned unavailable hours for systems monitored under both programs. At the same time, many plants are using a risk-informed process to support doing more planned maintenance on-line which may have the potential, over time, to drive the indicators into the White band for the PIs. Concerns include:

- The PI threshold would encourage taking multiple support systems in a single train out of service to minimize the overall outage time especially when support system maintenance is required. Under these circumstances, operator recovery, in the event the system was needed, would be extended by the number of systems out-of-service. This would appear to be inconsistent with the risk informed intent of the ROP.
- With increasing out of service times allowed by AOTs, and the importance of shorter outages, more routine maintenance is being done online (vice outage). Although this is being done based on risk-informed evaluations, this would have a negative impact on the PI metric.
- The thresholds for the unavailability performance indicators do not always properly reflect the site specific unavailability limits allowed by the maintenance rule or other license provisions, in particular, NRC-approved extended AOTs. The PI needs to be revised to not penalize utilities for implementing extended AOTs (approved by the NRC based on risk) or adjust the thresholds to accommodate their use.

We recommend that NRC, with stakeholder involvement, expedite the development and implementation of a common unavailability definition and common threshold alignment between the ROP and the Maintenance Rule performance criteria. We are ready to fully support an expedited effort.

2. *Do any aspects of the ROP inappropriately increase regulatory burden? (Please comment on any unnecessary overlap between ROP reporting requirements with those associated with INPO, WANO, or the Maintenance Rule.)*

Overall, the new ROP has decreased inappropriate regulatory burden. We have several comments and suggestions.

Considerable burden could be reduced by consolidating definitions in the mitigating system PIs. The establishment of a parallel unavailability tracking system for the NRC PIs has resulted in a significant increase in utility burden in this area – not to mention a large number of FAQs. The NRC and industry need to continue to work toward one set of systems performance indicators and definitions - integrating current INPO/WANO, Maintenance Rule, and ROP Performance Indicators.

SDP determinations have often taken far longer and required far more NRC and industry resources than the initial issue seems to warrant. A major cause of this problem is the lack of plant specific SDP Phase 2 worksheets. Without the worksheets, inspectors are less able to screen findings to green, and quite often Phase 3 analyses must be conducted which would not be necessary if the worksheets were available.

With the merging of many licensed operators into larger multi-site companies that share common programs and procedures, efficiency will be gained by combining programmatic inspections. A single inspection can review a common program used by multiple sites. This common inspection will reduce the inspection resources and the fees billed to a licensee while still providing adequate assurance of the program's wellness.

Industry efforts in the area of self-assessment could also provide an opportunity for more efficient use of NRC resources and unnecessary burden reduction. We would recommend a pilot effort to take advantage of licensee self-assessment in lieu of current inspector resources for certain inspection procedures. For example, NRC could participate as an evaluator on the assessment team rather than send in its own team. The evaluator could determine if the assessment approach, methodology and results met NRC standards such that the assessment could replace an NRC inspection. Three areas in which self-assessment could be used in place of full NRC inspections are PI&R, SPA, and fire protection.

Lessons learned from the initial year of implementation suggest the need for improvements in scope, frequency and implementation, in the areas of Problem Identification and Resolution, Radiation Protection, Fire Protection, Physical Security and design inspections.

The PI&R inspection is now annual with more inspectors on each team. The increased inspection burden in this area does not appear to be warranted given the fact that corrective action effectiveness is evaluated as part of all inspection activities. The PI & R module might be better performed on a bi-annual vice an annual frequency. More frequent inspection might be triggered when a plant enters the degraded cornerstone column of the Action Matrix.

3. *Is the Significance Determination Process (SDP) usable and does it produce consistent and accurate results?*

The reactor safety SDP is a useful conservative tool for assessing risk . However, NRC Management needs to place priority on the completion of Phase 2 screening sheets to make the SDP an efficient and fully implementable product. Without these revised worksheets, it is not possible to accurately evaluate if the process is efficient. In addition, a process needs to be established to revise the plant-specific worksheets as errors are identified or when the licensee's PRA model is updated.

Inspection reports need to do a better job of explaining how the inspection finding results are derived. Too often now, the logic and path to safety significance (color) is not clear, and sometimes is not even discussed.

The non-reactor safety SDPs offer significantly more consistency to the process when compared to the prior inspection process. However, these SDPs did not benefit from the same review and use during the pilot process as did the reactor SDP. As a result, problems have arisen in the physical security, ALARA, and Fire Protection areas which need to be resolved in a public and controlled manner. We believe a process similar to that used to manage change in the PIs should be applied to changes in SDPs, to include setting clear criteria for change, table-top testing and piloting, and training for NRC and industry before implementation.

The minimum significance level is "Yellow" for a Type B finding under the Containment Integrity SDP. A "Yellow" rating seems inappropriately high and not representative of the risk significance of a containment penetration(s) being left open for less than three days.

The Occupational Radiation Protection SDP does not address the "failure to survey" violations, which are the most common of all HP enforcement issues. If there are no actual consequences or significant potential for over-exposure resulting from the failure to survey, then a FINDING should be no greater than Green; however, it appears imprudent to assume that there are zero situations where a failure to survey might be considered a minor violation of no safety significance and therefore not enter the SDP (not a FINDING). Therefore, additional guidance is necessary in IMC 0609 on what is the threshold for the minor/Green level for categorizing failures to survey.

We strongly support interactive efforts to develop a new Physical Security SDP. Development of an SDP to pilot will of course depend on the availability of specific language and criteria in the impending rule change to 10CFR73.55. During the industry proposed one-year pilot of the Safeguards Performance Assessment (SPA) program, the concepts developed for an SDP can be piloted and the SDP adjusted as appropriate.

The interim Physical Security SDP contains a reference to "Greater than 2 similar findings in 4 quarters," ostensibly because of the potential of a repeat issue to be exploitable or predictable. Three random failures, for example, over an entire year are certainly not exploitable or predictable.

The Fire Protection SDP has been subject to inconsistent application during inspections. This is due to several factors: (1) The document is complex and not easy to apply; (2) Inspectors in some cases lack familiarity with the document; and (3) Inspectors do not always discuss its application (including assumptions) with inspected licensees. While there has been some improvement in these areas as experience has been gained in later inspections, its application remains inconsistent.

In addition to application issues, the Fire Protection SDP requires improvement in areas such as consideration of plant licensing basis, fire initiation frequencies, and treatment of fire brigade activities. With the recent issue of a revision of the SDP (publicly available in late March), industry recommends a meeting for discussing additional changes to improve the usefulness of the document after adequate time for review.

*4. Are there areas of unnecessary overlap between the inspection program and the performance indicators?*

There is unnecessary overlap in the area of radiation safety inspection and the Occupational Exposure Control Effectiveness performance indicator.

*5. Does the ROP assessment program provide timely, consistent, and relevant assessment information?*

Yes. The revised ROP process has afforded a timely, consistent and predictable response to events and issues that have arisen over the last year. As a result of the ROP, most licensees have reported experiencing more effective and productive communication with the regulator. It is far more timely, consistent and relevant than the previous SALP process. Issues are now discussed with a focus on the safety significance of the issue. With the use of the performance bands ("colors" reflecting level of safety) the licensee is able to predict the regulator's response to a threshold boundary change of a PI or to a color finding. In general, the use and availability of the SDP's have allowed the licensee to be able to predict the outcome of an issue and to anticipate and help support the regulator's informational needs when investigating a plant event. In some cases however, the SDP resolution has not been timely. The inspection reports, even though they are issued on a quarterly basis, provide timely and relevant supporting information that is largely consistent with the anticipated outcomes from exit meetings and follow-up discussions with the inspectors. The website updates reflecting new findings and performance indicator data have been completed in a timely manner.

*6. Has the NRC implemented the ROP as defined by program documents?*

As a general rule, the regions are implementing the program as defined. However, with the evolving and improving nature of the first year of implementation, the NRC implemented many changes in the inspection arena during an active cycle of industry inspection. Additionally, many SDPs were still under development as inspectors were conducting inspections and analyzing issues. While this has resulted in some consternation by both the licensee and the regulator on several occasions, it has not

posed any significant impediment to the implementation of the process. The appearance of consistency differences between similar inspections performed at different locations was not a major stumbling block in the program implementation.

With the end of the first year of implementation, both the licensees and the regulators need to make a concerted, diligent effort to incorporate the lessons learned into our documents in a timely and expeditious fashion. We then need to minimize further changes, to allow the program to stabilize in the eyes of both the public and industry stakeholders.

7. *Please provide any additional (brief) information or comments on other program areas related to the reactor oversight process. Other areas of interest may be: the treatment of cross-cutting issues in the ROP, the risk-based evaluation process associated with determining event response, and the reduced subjectivity and elevated threshold for documenting issues in inspection reports.*

A key premise of the new ROP is that weaknesses in cross-cutting issues, such as the corrective action program, will manifest themselves in the PIs and inspection findings by crossing thresholds to be greater than green (the licensee response band). Having been revealed through the PIs or inspection findings, the weaknesses can be addressed through licensee actions and NRC supplemental inspection to ensure performance is improved before safety is compromised. A review of the first nine months of the ROP shows a good correlation between plants with weaknesses in the corrective action program (inspection findings mentioning the corrective action program) and plants which have crossed PI or inspection safety significance thresholds. Reviews of inspection reports also show that there are no plants with significant comments in PI&R which have not also crossed PI and/or safety-significant inspection thresholds. While this is preliminary data, it does support this key premise of the new program. We believe the program is working as intended, and therefore, no additional PIs or SDPs are necessary in the cross-cutting area.

We believe the procedures for preparing inspection reports to be appropriate, particularly the new MC 0610\* (10/6/00). For the most part, the NRC has been following the procedure and providing reports which are concise, safety performance focused, provide appropriate information for both licensees and the public, and remove the subjectivity and conjecture which marred reports in the previous program. Improvement is necessary in the areas of explaining the NRC reasoning in arriving at its inspection finding results (i.e., discussion of the screening steps and the details of the decision paths in the SDPs), and in greater discipline in the area of minimizing "no-color" findings.

We do believe that inspectors have insights which licensees appreciate receiving. However, to avoid confusion and unintended implications that the inspectors' opinions are requirements which must be implemented, we recommend that inspector insights and suggestions be provided verbally at the exit meeting for the licensees' consideration rather than in the inspection report itself, which should focus on safety performance outcomes, not on how the outcomes are achieved.



NUCLEAR ENERGY INSTITUTE  
1776 I STREET, NW, SUITE 400  
WASHINGTON, DC 20006-3708

## FAX COVER SHEET

**To:** Michael Lesar  
**Company:** NRC  
**Phone:**  
**Fax:** 301-415-5144

**From:** Steve Floyd  
Senior Director, Regulatory Reform  
**Phone:** 202-739-8078  
**Fax:** 202-785-4019  
**E-Mail:** sdf@nei.org

**Date:** April 13, 2001  
**Pages Including**  
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**Comments:**

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