

POLICY ISSUE INFORMATION

August 4, 2006

SECY-06-0175

FOR: The Commissioners

FROM: Luis A. Reyes
Executive Director for Operations

SUBJECT: SEMIANNUAL UPDATE OF THE LESSONS-LEARNED
PROGRAM (LLP)

PURPOSE:

The purpose of this paper is to provide the Commission with an update on the activities and plans to institutionalize agency lessons learned. This semiannual update responds to Staff Requirements Memorandum dated November 9, 2005, COMSECY-05-0047 - Semiannual Report - Status of Implementation of Davis-Besse Lessons Learned Task Force Report Recommendations. This paper summarizes the program status, the results of effectiveness reviews conducted on legacy items, the transitioning of the project from the development team to the Office of the Executive Director for Operations, and updates other key milestones.

BACKGROUND:

On March 31, and July 22, 2005, the staff provided memoranda to the Commission on the team's activities and plans. The team leader also briefed the Commission on the project status on November 1, 2005, as part of the Commission meeting on the implementation of the Davis-Besse Lessons Learned Task Force recommendations. The first semiannual update was provided on February 1, 2006, as SECY-06-0024, "First Semiannual Update of the Lessons Learned Program" in accordance with Commission direction. This update supplements that information by providing an overview of the progress made in the last six months and the plans to accomplish the remaining tasks.

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DISCUSSION:

Management Directive

The EDO signed Management Directive (MD) 6.8, "Lessons-Learned Program" (Enclosure 1), on August xx, 2006. The MD and its associated handbook provide the staff guidance to implement the Lessons-Learned Program (LLP). In addition to describing the LLP process, the MD introduces two new functions that have important responsibilities in implementing the program.

The Lessons-Learned Program Manager (LLPM) administers and implements the LLP. The EDO has selected Mr. John Lamb, a senior assistant in OEDO's Technical and Regional Programs Section, to serve as the LLPM. Mr. Lamb is responsible for the day-to-day activities of the LLP. A detailed list of the LLPM's duties and responsibilities is contained in the MD's handbook.

The Lessons-Learned Oversight Board (LLOB) will provide oversight to the LLP and perform independent review and approval of proposed corrective action plans and their eventual closeout. The LLOB will be composed of senior managers nominated by Office Directors and Regional Administrators and appointed by the EDO. The LLPM will operate under procedures approved by the EDO, subject to the specific requirements of MD 6.8.

Pilot Use of Program

The LLP process (including the threshold for entry into the program) was tested using the recommendations contained in the 2005 Hurricane Season Task Force report dated March 30, 2006. The team found that the threshold criteria were sufficiently clear and discriminating. Team members were able to quickly reach consensus on which recommendations met the program threshold. The team did learn some important lessons on how to make the format and content of task force reports more amenable for use by the LLP. These lessons have been captured in OEDO Procedure - 0930, "Task Force Charters," which was approved by the EDO on July 27, 2006.

Because of the impending 2006 Hurricane season and the lack of a fully developed LLP infrastructure, the EDO decided to implement corrective actions for the major recommendations before June 1, 2006. Consequently the LLP process was not fully tested. However, the recommendations that will be made by the task force on Liquid Radioactive Releases, expected in August 2006, will be subject to the entire LLP process.

Effectiveness Reviews

In January 2006, the development team recommended to the EDO that a sample of legacy lessons-learned report recommendations be reviewed and that effectiveness reviews be conducted for the associated corrective actions. The team based its recommendation on the value to the staff of populating the lessons-learned system with legacy information and on the need to verify the continuing effectiveness of old corrective actions. On January 27, 2006, the

EDO directed that effectiveness reviews be conducted for a sample of six legacy lessons-learned reports. The purpose of these reviews was to: (1) better understand the extent of condition for the problems identified with institutionalizing corrective actions from lessons learned, and (2) ensure that important corrective actions continue to be implemented effectively.

The staff subsequently analyzed these historical task force reports and other significant lessons learned to determine if there is value in conducting a more comprehensive effectiveness review of the lessons learned from historical reports. Although no outstanding safety issues associated with the reviewed reports were identified, the staff has concluded that more reviews should be conducted. The effort provides both a check on important corrective actions taken in the past and an opportunity to capture the knowledge gained about these legacy events in a format that will facilitate wider dissemination among the staff. The 2005 Hurricane Season Task Force recommendations will be considered for effectiveness reviews since the recommendations were not subjected to the full LLP process.

The efficiency and effectiveness of future reviews will be enhanced by targeting for review only those recommendations that are important and still relevant in today's regulatory environment. The collective knowledge and experience of the LLOB members will be used to guide the selection of future reports for review. High importance legacy reports will continue to be reviewed in the near term. Staff will consider budgeting resources for this effort so that it may be completed in a reasonable amount of time. A summary of the findings from the effectiveness reviews and the team's recommendations is presented in Enclosure 2.

Information Technology System

The Information Technology (IT) component of the LLP is central to the long-term success of the effort as it directly addresses some of the weaknesses that contributed to the recurrence of previous lessons learned at NRC. The milestones in the last semiannual update for this work were predicated on receiving the requested funds before the beginning of April 2006. Those funds were received in late June 2006 and the staff expects to have a contract in place for this work by mid-September 2006. The commitment dates in this paper have been adjusted to reflect the later receipt of funds.

In the interim, the staff developed goals and objectives for the IT system. The Agency Lessons-Learned System (ALLS) will be able to capture, track, store, and retrieve information about lessons learned. Information will be tracked at the recommendation level and will include all of the products generated in response to a lessons-learned item, such as the corrective action plan, closeout documentation, processes or procedures changed by the corrective action, and the results of any effectiveness reviews conducted.

ALLS is intended to enable access to the system through an internal NRC Web-based interface in order to locate information about a particular topic, issue, report or recommendation. ALLS will provide an ease-of-use user interface that allows staff to search and retrieve, using attributes and full-text syntax, the data, text, and image-based information regarding a lessons-learned topical area. In this way ALLS will support the NRC's knowledge management program. Although development of the Web-based system will not begin until later this

summer, implementation of the basic LLP is possible now because the LLP uses other IT systems already in production (ADAMS) or that soon will be (the EDO's Action Tracking System - EDATS). ALLS is expected to be in place in June 2007, however with the near term emphasis on enhancing our IT systems in other areas, this activity will need to be looked at in an overall prioritization effort that may result in adjusting this date if there is a need to reallocate IT resources.

Public Involvement

The staff expects that the lessons learned entered into this program will be summarized and made publicly available to the extent possible, consistent with the Commission's direction regarding the handling of Sensitive Unclassified Non-Safeguards Information (SUNSI). The team also sees the need for public involvement in the development of the external interface which will allow stakeholders to easily access the lessons-learned information that is important to them. Allowing public access will increase the transparency of the program. The external interface to the lessons-learned system will be developed with funds budgeted for Fiscal Year (FY) 2007. The team will provide further details on the plans to solicit stakeholder input during the next semiannual update.

The staff updates to the Commission on the LLP have not been released to the public because the documents contain the project funding details. To comply with various provisions of the Federal Acquisition Regulations and Management Directive 11.1, NRC Acquisition of Supplies and Services, which are directed toward safeguarding the acquisition process, all budget information concerning this project is protected from disclosure until after the contracts are awarded. The staff will publicly release all staff correspondence to the Commission regarding the LLP after awarding the IT contract.

Transition to the LLPM

The team chartered by the EDO to develop the LLP has achieved the goals outlined in the team's charter. Paraphrased, those goals were: (1) Develop a process, program, or system that will provide reasonable assurance that lessons learned from major organizational failures would be institutionalized and not recur; and (2) Ensure knowledge gained from future lessons learned is retained and disseminated in a manner that will maximize its benefit and usefulness to the agency over time. These goals are achieved through MD 6.8 and its associated procedures and requirements.

The IT system (ALLS) will enhance the LLP by making the information easily accessible and retrievable by the staff and will assist in achieving long-term success. Since the LLP is now operational, and the primary focus has shifted from development to implementation, the lead for the effort is now the LLPM. The team will remain available to consult with the LLPM and the LLOB as necessary to support the initial implementation of the program and to consult on the development of ALLS.

COMMITMENTS:

Listed below are the actions or future activities commitments made by the staff in this paper.

Implement Base LLP (minus Web-based IT system)	August 2006
Task Additional Effectiveness Reviews	October 2006
Implement IT Portion of Base Program	June 2007
Implement Knowledge Management and Configuration Management Components	February 2008
Provide Public Access to Lessons-Learned Results	February 2008

RESOURCES:

No additional resources are required to complete LLP beyond those obtained through the FY 2006 mid-year request and the FY 2007 budget. There will be an ongoing operations and maintenance expense which was requested in the FY 2008 budget. Resources to support additional effectiveness reviews are not currently budgeted and will be obtained through the Planning, Budgeting, and Performance Management process and through future year budget requests.

COORDINATION:

The Office of the General Counsel reviewed this package and has no legal objection. The Chief Financial Officer has reviewed this package and has no objections.

/RA/

Luis A. Reyes
Executive Director
for Operations

Enclosures:

1. Management Directive 6.8
2. Summary of Effectiveness Reviews Completed in
Support of Developing a Lessons-Learned Program

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Public

9 Non-Public

9 Sensitive

Non-Sensitive

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