U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

MD 8.13	REACTOR OVERSIGHT PROCESS	DT-18-01
Volume 8:	Licensee Oversight Process	
Approved By:	Victor M. McCree Executive Director for Operations	
Date Approved:	January 16, 2018	
Cert. Date:	N/A, for the latest version of any NRC directive or handbook, see the online MD Catalog.	
Issuing Office:	Office of Nuclear Reactor Regulation Division of Inspection and Regional Support	
Contact Name:	Joanna Bridge	

EXECUTIVE SUMMARY

Management Directive (MD) 8.13, "Reactor Oversight Process," describes the roles and responsibilities of the Reactor Oversight Process (ROP). This revision reflects the following changes to the ROP:

- Reorganizing for clarity,
- Providing additional regional guidance for the significance determination process,
- Updating staff guidance for the use of self-assessment and feedback, and
- Incorporating Commission guidance on those ROP changes that require Commission notification and approval.

MD 8.13 provides references to more frequently updated agency documents. This revision removes Exhibit 3, "Action Matrix," from the handbook. The action matrix is available in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

TABLE OF CONTENTS

I. POLICY

It is the policy of the U.S. Nuclear Regulatory Commission (NRC) to provide oversight of nuclear power plant activities to verify that the plants are being operated safely, in accordance with NRC rules and regulations. As stated in the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974, the mission of the NRC is to ensure that commercial nuclear power plants are operated in a manner that provides adequate protection of public health and safety and the environment, and protection against radiological sabotage and the theft or diversion of special nuclear materials.
On April 2, 2000, the NRC implemented the Reactor Oversight Process (ROP) at all operating commercial nuclear power plants. The ROP was developed to provide tools for inspecting and assessing licensee performance in a more risk-informed, objective, predictable, and understandable way than the previous oversight process. The ROP is also described in NUREG-1649, Revision 6, “Reactor Oversight Process.”

II. OBJECTIVES

- Obtain information about operations at reactor facilities, identify significant safety and security concerns, determine their generic applicability, and determine the causes of declining performance.
- Evaluate the risk significance of issues to ensure the appropriate licensee and regulatory responses.
- Assess licensee performance, provide a measured regulatory response, and effectively communicate the NRC’s assessment of licensee performance to both internal and external stakeholders.
- Take enforcement actions that deter noncompliance, encourage prompt identification and correction of violations, and foster resolution of risk-significant issues.
- Verify that licensees effectively identify problems and resolve issues.

- Provide the appropriate regulatory response to operational events on the basis of their safety significance.
- Monitor licensee efforts to assess safety culture, consider safety culture weaknesses, and encourage licensees to take prompt and appropriate actions before significant performance degradation occurs.

III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

A. Executive Director for Operations (EDO)

1. Oversees the ROP.
2. Oversees the Agency Action Review Meeting.

B. Director, Office of Nuclear Reactor Regulation (NRR)

1. Provides overall direction to the programs within the ROP.
2. Assesses the effectiveness, consistency, and completeness of the programs within the ROP.

C. Director, Office of Public Affairs (OPA)

1. Provides liaison with external stakeholders.
2. Issues press releases, as appropriate.

D. Director, Office of Nuclear Security and Incident Response (NSIR)

Provides program direction for implementation of security and emergency preparedness-related ROP issues.

E. Director, Office of Enforcement (OE)

1. Provides program direction for implementation of the NRC's Enforcement Policy.
2. Ensures appropriate enforcement action is taken for issues identified by the ROP.

F. Regional Administrators

1. Manage the implementation of the ROP elements performed by the regions.
2. Allocate regional inspection resources in support of the ROP.
3. Coordinate with the Director, Office of Nuclear Reactor Regulation (NRR), to determine if an associated ROP finding should be processed under the significance determination process and inputted into the action matrix.

IV. APPLICABILITY

The policy and guidance in this directive and handbook apply to all NRC employees.

V. DIRECTIVE HANDBOOK

Handbook 8.13 addresses the major components of the ROP.

VI. REFERENCES

Nuclear Energy Institute (NEI), Reporting Guide NEI 99-02, Rev. 7, "Regulatory Assessment Performance Indicator Guideline," August 31, 2013 (ML13261A116).

Nuclear Regulatory Commission Documents

NRC Enforcement Manual (ML17212A125).

NRC Enforcement Policy (ML16271A44).

NRC Inspection Manual Chapters—

0305, "Operating Reactor Assessment Program."

0307, "Reactor Oversight Process Self-Assessment Program."

0308, "Reactor Oversight Process Basis Document."

Attachment 1, "Technical Basis for Performance Indicators."

0309, "Reactive Inspection Decision Basis for Reactors."

0310, "Aspects within the Cross-cutting Areas."

0350, "Oversight of Reactor Facilities in a Shutdown Condition Due to Significant Performance and/or Operational Concerns."

0608, "Performance Indicator Program."

0609, "Significance Determination Process."

0611, "Power Reactor Inspection Reports."

2201, "Security Inspection Program for Commercial Power Reactors."

2515, "Light-Water Reactor Inspection Program - Operations Phase."

NRC Inspection Manual Chapters Web Site: http://www.nrc.gov/reading-rm/doc-collections/insp-manual/manual-chapter/.

NRC Management Directives—

8.3, “NRC Incident Investigation Program.”

8.14, “Agency Action Review Meeting.”

Reactor Oversight Process Web Site:
https://www.nrc.gov/reactors/operating/oversight.html.

NUREGs—

NUREG-1614, “U.S. Nuclear Regulatory Commission Strategic Plan.”

NUREG-1649, “Reactor Oversight Process.”

SRM-COMSECY-16-0022, “Proposed Criteria for Reactor Oversight Process Changes Requiring Commission Approval and Notification” (ML17132A359).

United States Code

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Energy Reorganization Act of 1974 (42 U.S.C. 5801 et seq.).

U.S. NUCLEAR REGULATORY COMMISSION DIRECTIVE HANDBOOK (DH)

DH 8.13	REACTOR OVERSIGHT PROCESS	DT-18-01
Volume 8:	Licensee Oversight Process	
Approved By:	Victor M. McCree Executive Director for Operations	
Date Approved:	January 16, 2018	
Cert. Date:	N/A, for the latest version of any NRC directive or handbook, see the online MD Catalog.	
Issuing Office:	Office of Nuclear Reactor Regulation Division of Inspection and Regional Support	
Contact Name:	Joanna Bridge	

EXECUTIVE SUMMARY

Management Directive (MD) 8.13, "Reactor Oversight Process," describes the roles and responsibilities of the Reactor Oversight Process (ROP). This revision reflects the following changes to the ROP:

- Reorganizing for clarity,
- Providing additional regional guidance for the significance determination process,
- Updating staff guidance for the use of self-assessment and feedback, and
- Incorporating Commission guidance on those ROP changes that require Commission notification and approval.

MD 8.13 provides references to more frequently updated agency documents. This revision removes Exhibit 3, "Action Matrix," from the handbook. The action matrix is available in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

TABLE OF CONTENTS

EXHIBITS

I. REGULATORY FRAMEWORK

The regulatory framework for the Reactor Oversight Process (ROP) (as shown in Exhibit 1 of this handbook) is a risk-informed, performance-based, tiered approach to assessing safety and security performance. Through the regulatory framework, the U.S. Nuclear Regulatory Commission ensures that the operation and regulation of commercial nuclear power plants achieve the NRC strategic goals as described in NUREG-1614, “Strategic Plan.” Satisfactory licensee performance within the ROP regulatory framework provides reasonable assurance that public health and safety are maintained during civilian nuclear reactor operation.

A. Strategic Performance Areas

The ROP contributes to the NRC mission of ensuring public health and safety during the operation of commercial nuclear power plants by monitoring plant performance in the following three strategic performance areas:

1. Reactor Safety - Avoiding accidents and reducing the consequences of accidents if they occur.

2. Radiation Safety - For both plant workers and the public from unnecessary radiation exposure during routine operation.

3. Safeguards - Protection of the plant against sabotage or other security threats.

B. Cornerstones of Safe Operation

To monitor and measure plant performance, the ROP focuses on seven cornerstones that support the safety of plant operations in the three strategic performance areas. Details about each cornerstone are in Inspection Manual Chapter (IMC) 0308, “Reactor Oversight Process Basis Document.”

1. Initiating Events

   The NRC’s objective is to limit the frequency of those events that upset plant stability and challenge critical safety functions during shutdown as well as power operations. If an event is not properly mitigated and multiple barriers are breached, a reactor accident could compromise public health and safety. Licensees can reduce the likelihood of a reactor accident by maintaining a low frequency of initiating events, which include reactor trips due to turbine trips, loss of feedwater, loss of offsite power, and other significant reactor transients.

2. Mitigating Systems

   The NRC’s objective is to verify the availability, reliability, and capability of systems that are designed to mitigate the effects of initiating events to prevent reactor core damage. Licensees can reduce the likelihood of reactor core damage by enhancing the availability and reliability of mitigating systems. Mitigating systems include the primary systems associated with heat removal (safety injection and residual heat removal) and their support systems (e.g., emergency AC (alternating current) power). This cornerstone includes mitigating systems that respond to events during both operation at power and when the reactor is shut down.

3. Barrier Integrity

   The NRC’s objective is to verify that physical barriers protect the public from radionuclide releases caused by reactor core damage. Licensees can reduce the effects of reactor core damage or events if they do occur by maintaining the integrity of the barriers. The barriers are the fuel cladding, the reactor coolant system boundary, and the containment.

4. Emergency Preparedness

   The NRC’s objective is to verify that emergency plan actions provide adequate protection of public health and safety during a radiological emergency. Licensees ensure that the emergency plan will be implemented correctly by training and conducting drills. This cornerstone does not include offsite actions that are under the

cognizance of and evaluated by the Federal Emergency Management Agency (FEMA).

5. Public Radiation Safety

   The NRC's objective is to ensure adequate protection of public health and safety from exposure to radioactive material released into the public domain as a result of routine civilian nuclear reactor operations. These releases include routine discharges of low-level gaseous and liquid radioactive effluents, the inadvertent release of solid contaminated materials, and the offsite transport of radioactive materials and wastes. Licensees can maintain public protection by meeting the applicable regulatory limits and minimizing radioactive releases.

6. Occupational Radiation Safety

   The NRC's objective is to ensure adequate protection of worker health and safety from exposure to radiation from radioactive material during routine civilian nuclear reactor operation. This exposure could come from radiation areas or radioactive material that exposes workers to radiation. Licensees can maintain worker protection by meeting applicable regulatory limits and as low as reasonably achievable (ALARA) guidelines.

7. Security

   The NRC's objective is to provide assurance that the physical protection system can protect against the design basis threat of radiological sabotage. The threat could come from either external or internal sources. Licensees can maintain adequate protection against threats of sabotage by adhering to Commission security requirements.

C. Cross-Cutting Areas

Certain fundamental performance characteristics are common to all the cornerstones and contribute to maintaining safe facility operation. These cross-cutting areas include human performance, the establishment of a safety-conscious work environment, and problem identification and resolution (PI&R). Licensee deficiencies in these cross-cutting areas generally manifest themselves as causes of performance issues in the cornerstones. These deficiencies may be assigned to ROP findings as cross-cutting aspects. Cross-cutting areas are described in more detail in IMC 0308. The use of cross-cutting areas and aspects within the ROP are described in IMC 0305, "Operating Reactor Assessment Program," and IMC 0310, "Aspects within the Cross-cutting Areas."

II. PROGRAMS AND PROCESSES

A. General Description

1. Within the regulatory framework, the NRC uses the ROP to collect information about licensee performance, assess the information for its safety significance, provide for appropriate licensee and NRC response, and communicate the results of its assessment to licensee management, members of the public, and other Government entities.

2. The programs and processes within the ROP are described in the NRC Inspection Manual Chapters. These governance documents provide the purpose, objectives, definitions, responsibilities, authorities, and basic requirements for inspection programs. The IMCs dictate requirements for all aspects of the ROP.

3. A diagram of the ROP is shown in Exhibit 2 of this handbook. For each cornerstone, the NRC develops findings from inspections and evaluates Performance Indicator (PI) data collected by licensees. Inspection findings are evaluated for safety significance using a significance determination process (SDP), and PI data are compared with prescribed risk-informed thresholds. The resulting information is then assessed, and the appropriate NRC response is determined using the action matrix (see IMC 0305). This response includes supplemental inspections and a range of other actions, depending on the significance and the number of issues. Except for violations of very low safety significance, escalated enforcement action is taken for findings that are also violations of regulatory requirements. The specific enforcement action taken is based on the significance of the inspection finding. The NRC communicates the results of its performance assessment and its inspection plans and other planned actions in publicly available correspondence, on its Web site, and through public meetings with each licensee.

B. Principles

The following principles form the basis of the ROP:

1. Licensees routinely address performance issues of very low safety significance that may arise as a normal part of operating a facility, without requiring additional NRC involvement.

2. Risk-informed thresholds for licensee safety and security performance establish whether only routine NRC interaction is warranted or increased NRC interaction (including escalated enforcement) is warranted.

3. A risk-informed baseline inspection program establishes the nominal level of NRC interaction with all licensees, provides a sufficient indication of licensee performance, and indicates when additional inspection activity is warranted.

4. Licensee performance in each cornerstone is assessed using objective PIs and the baseline inspection program. Adequate assurance of safety performance requires consideration of both PI data and inspection results.
5. The baseline inspection program examines those risk-significant attributes of licensee performance that are not adequately covered by PIs. The baseline inspection program also verifies the accuracy of the PIs and provides for initial event follow-up.
6. Licensee performance issues that cross either PI or inspection thresholds receive the same supplemental inspection.
7. The staff uses the SDP to assess the significance of inspection findings.
8. Enforcement actions for inspection findings that involve violations of NRC regulations are commensurate with their safety significance, as determined using the SDP.
9. The enforcement actions taken (e.g., the number of cited or non-cited violations, the amount of a proposed civil penalty) are not inputs to the action matrix; however, the significance of the underlying issues that led to the enforcement actions is considered in the assessment of licensee performance.
10. Licensee deficiencies in cross-cutting areas may manifest themselves as performance issues across the cornerstones. Licensee performance in cross-cutting areas may be revealed through the existence of cross-cutting aspects assigned to inspection findings.
11. The enforcement actions taken for inspection findings involving violations of regulatory requirements require licensees to take appropriate corrective actions and restore compliance.
12. Agency response to performance issues and degrading or unacceptable licensee performance is established in the action matrix.

C. Performance Indicators (PIs)

1. PIs provide an objective indication of key attributes of licensee performance in each of the cornerstones. PIs determine acceptable levels of operation within substantial safety margins. The PIs are designed to be objective and risk-informed to the extent practical, but also accommodate indications of a reduction in defense-in-depth, based on existing regulatory requirements and safety analyses.
2. Licensees voluntarily submit PIs on a quarterly basis to the NRC according to the NRC-endorsed Nuclear Energy Institute (NEI) Reporting Guide NEI 99-02, “Regulatory Assessment Performance Indicator Guideline.” The NRC inspects facilities to verify the accuracy of submitted PIs. If licensees fail to submit accurate

PIs, the NRC will perform additional inspections, as necessary, to collect the information normally provided by the PIs.

3. The NRC continually assesses the PI program to ensure it provides appropriate insights on licensee performance. NRC IMC 0308, Attachment 1, "Technical Basis for Performance Indicators," provides more information on the development of PIs. IMC 0608, "Performance Indicator Program," provides a detailed description of the PI program.

D. Inspection Programs

1. Performance indicators cannot cover every area within the cornerstone objectives, so inspections are used to review those areas that are not covered, or not sufficiently covered, by the PIs. The NRC's inspection program collects information about licensee performance through direct observation by NRC inspectors. The inspectors perform this fundamental function and determine whether or not licensees are operating their plants safely and in accordance with regulatory requirements and self-imposed standards. Resident inspectors assigned to each site, and inspectors from NRC regional and headquarters offices contribute to the inspection program.

2. The inspection program is designed to sample a cross-section of licensee activities important to plant safety, reliability, and risk, as well as other licensee activities that may warrant additional attention. The staff evaluates performance issues for their risk significance within the appropriate cornerstone using an SDP that incorporates both generic and plant-specific risk information. Those issues determined to be significant are flagged as input to the assessment process and for followup actions by both licensees and the NRC. IMC 0308 provides more information on inspection program development. IMC 2201, "Security Inspection Program for Commercial Nuclear Power Reactors," and IMC 2515, "Light-Water Reactor Inspection Program - Operations Phase," discuss the inspection program in detail. The staff documents inspections using the governance in IMC 0611, "Power Reactor Inspection Reports."

3. The inspection program is intended to provide regional administrators flexibility in the planning and application of inspection resources to deal with risk-significant issues and problems. The regional offices plan inspections up to 24 months in advance, and transmit updated inspection plans semi-annually to licensees.

4. The inspection program is composed of the following four major elements.

   (a) Risk-Informed Baseline Inspections

      (i) The baseline inspection program uses a risk-informed approach to develop a comprehensive list of inspectable areas within each cornerstone of safety. These areas were selected based on their risk significance. The scope of the

inspection within each inspectable area is determined using the same risk-informed approach.

(ii) The scope of the baseline program is defined by inspectable areas that are linked to the cornerstones. The baseline program includes inspections for those areas in which no PIs have been identified and in which PIs do not fully cover the inspectable area. It also includes regular verification of the accuracy of performance indicator data that have been reported by the licensee.

(iii) The baseline inspection program is risk-informed by (1) selection of the inspectable areas based on their risk importance in measuring cornerstones; (2) determination of the inspection frequency and sample size for each inspectable area based on risk information; and (3) selection of sample activities and equipment to inspect in each inspectable area based on risk insights that incorporate plant-specific information.

(b) Plant-Specific Supplemental Inspections

Supplemental inspections may be conducted at a facility when risk-significant issues are identified either by the SDP as significant inspection findings or when PI thresholds are exceeded. In general, supplemental inspections are performed for White, Yellow, or Red performance issues (either PI or inspection findings). Supplemental inspections are more diagnostic than baseline inspections and are designed to address problems and issues that are beyond the scope of normal baseline inspections. The scope of the supplemental inspections consists of a range of activities that may include a review of licensee causal evaluations, expansion of the baseline inspection sample, a focused team inspection (as necessary to evaluate the extent of the condition), or a broad-scope, multi-discipline team inspection for substantive safety performance issues to examine multiple cornerstone areas and inspect cross-cutting areas.

(c) Generic Safety Issues, and Infrequent Inspections

The Office of Nuclear Reactor Regulation's (NRR's) license review process, and the use of regulatory communications issued to licensees, address concerns with generic safety issues. If the concern is of safety significance, a one-time inspection may be appropriate under the safety issues program element. This element of the program also includes inspections conducted to fulfill NRC obligations under interagency memoranda of understanding.

(d) Event Followup

The baseline inspection program (1) includes initial follow-up of routine events by resident or region-based inspectors and (2) emphasizes the collection of event information for use by risk analysts in evaluation of risk significance. The event response element program provides for additional inspection followup of certain

events or problems using a graded approach based on risk significance and deterministic criteria. IMC 0309, “Reactive Inspection Decision Basis for Reactors,” and Management Directive (MD) 8.3, “NRC Incident Investigation Program,” describe the response.

5. The NRC uses the Significance Determination Process (SDP), a risk-informed process, to determine the safety or security significance for an identified finding. The SDP uses risk insights, where appropriate, to assist NRC staff in determining the significance of inspection findings identified within the seven cornerstones of safety for commercial nuclear power reactors. The safety significance of an inspection finding is established by the use of thresholds. These thresholds are described in detail in IMC 0609, “Significance Determination Process.” The appendices to IMC 0609 provide processes for the treatment of findings within each cornerstone.

   (a) The significance of these thresholds are expressed using a common color scheme between PIs and inspection findings. The color scheme facilitates a consistent agency response and enhances stakeholder understanding of the oversight process. The colors are used as inputs into the action matrix, which determines the appropriate level of NRC engagement with licensees for their indicated performance.

   (i) Green – very low safety significance

   (ii) White – low to moderate safety significance

   (iii) Yellow – substantial safety significance

   (iv) Red – high safety significance

E. Operating Reactor Assessment Program

1. The NRC develops objective conclusions about a licensee’s safety and security performance through the Operating Reactor Assessment Program’s action matrix, which collects information from inspections and PIs. Based on this assessment information, the NRC determines the appropriate level of response such as: performing supplemental inspections, conducting meetings with the NRC and licensee management, or issuing an order to shut down. The NRC then communicates the assessment information and the NRC response to the public, except for certain security-related information that the Commission has determined is necessary to withhold from public disclosure. The NRC conducts followup actions, as applicable, to ensure that the corrective actions designed to address performance issues were effective. Detailed information on the Operating Reactor Assessment Program is described in IMC 0305.

2. The NRC reviews licensee performance over a 12-month period. The continuous assessment process includes the determination of a licensee's action matrix column (see IMC 0305). The assessment process also includes performance reviews, program reviews, and public stakeholder involvement. The performance reviews include traditional enforcement actions and cross-cutting area trends.

F. Communications with Stakeholders

The NRC is guided in its responses to licensee performance by the action matrix. The action matrix is intended to provide consistent, predictable, understandable agency responses to licensee performance in order to enhance stakeholder confidence in the NRC's oversight process. The action matrix columns describe increasing levels of agency engagement commensurate with the decline in licensee performance.

1. The NRC communicates the results of its oversight process to licensees to ensure that they take appropriate actions to address performance issues. The NRC also communicates the results to both NRC internal and external stakeholders to keep them informed of licensee performance and to enhance confidence that the NRC's mission is being accomplished.

2. The NRC communicates ROP messages using plain language, focusing on the desired effect of communications on stakeholder perception and clearly conveying the significance of issues to the broadest possible audience.

3. The NRC communicates with licensees primarily through letters to each licensee that summarize the NRC's assessment of performance and provides the NRC's plans for future inspections at the facility. NRC regional offices send these licensee-specific letters after the end-of-cycle reviews. Assessment followup letters may be sent if the NRC determines that licensee performance warrants a change in regulatory oversight since the last assessment letter.

4. The regional offices reach out, at least annually, to stakeholders through public meetings or events. Press releases may be issued to announce these public meetings or events, as appropriate. These meetings or events are normally held soon after sending the annual performance assessment letter. The NRC will conduct these meetings or events on or in the vicinity of the site, if feasible, to provide greater accessibility to the local public and to foster a more widespread understanding of the NRC's assessment results. Licensees, members of the public, the media, and other stakeholders are given the opportunity to provide comments.

G. Enforcement Program

1. The purpose of the NRC enforcement program is to support the NRC's overall safety mission of protecting the public and the environment. Consistent with that

purpose, enforcement actions are used as a deterrent to emphasize the importance of compliance with requirements and to encourage prompt identification and prompt, comprehensive correction of violations of NRC requirements. The NRC's Enforcement Policy as it applies to the ROP is outlined below.

2. Violations associated with inspection findings are processed either by evaluating through the SDP or by traditional enforcement. Whenever possible, the SDP is used to evaluate the safety significance of inspection findings. The NRC response to assess the extent of the condition and the adequacy of the corrective actions taken is in accordance with the action matrix. Violations associated with findings evaluated as having very low safety significance (i.e., Green) and that are addressed in the licensee's corrective action program are not normally cited. Violations associated with findings evaluated as having a greater significance (i.e., greater than Green) are normally cited in a Notice of Violation (NOV). These violations are not normally subject to civil penalties except in the case of actual consequences.

3. Violations that (a) result in actual consequences, (b) impede the regulatory process, (c) involve willfulness, or (d) not associated with ROP and Construction ROP (cROP) findings are typically dispositioned using traditional enforcement. These violations are assigned a severity level, and licensees are subject to civil penalties in accordance with the criteria described in the NRC Enforcement Policy. Violations processed under the traditional enforcement program do not receive direct consideration under the action matrix.

4. When a violation satisfies the traditional enforcement criteria and there is an underlying finding, staff will use both the traditional enforcement process and the ROP. Specifically, the violation would be given a severity level and would be considered for a civil penalty. In addition, the finding would be processed under the SDP and the result would be entered into the action matrix, as appropriate.

H. Agency Action Review Meeting (AARM) and Self-Assessment

1. The NRC conducts an annual Agency Action Review Meeting (AARM) to review NRC actions in response to licensee performance at plants that warrant agency-level oversight. These plants are those that are in the "multiple/repetitive degraded cornerstone column" or the "unacceptable performance column" of the action matrix. In addition, at the AARM the NRC reviews the effectiveness of the ROP, any statistically significant adverse industry trends in safety or security performance, and the NRC's response to plants that are subject to IMC 0350, "Oversight of Reactor Facilities in a Shutdown Condition Due to Significant Performance and/or Operational Concerns." The Executive Director for Operations (EDO) chairs the

AARM, which is held shortly after the end-of-cycle reviews. MD 8.14, "Agency Action Review Meeting (AARM)," describes the AARM in detail.

2. NRC staff from NRR and the regions report to the Commission annually on the status of the ROP, including a discussion of any plants with significant performance issues and an assessment of the efficacy of the oversight process. The NRC staff normally briefs the Commission on the ROP shortly after the AARM. In addition, the results of performance measures related to the ROP are reported annually to Congress as part of the NRC's Performance and Accountability Report.

3. Feedback from both the internal and external stakeholders is routinely considered for possible changes to the ROP. The NRC receives feedback from many venues, including public meetings with stakeholders, feedback forms, surveys, reviews of operating events, and direct feedback through the ROP Web site. In addition, NRR and the regions routinely conduct self-assessments of various aspects of the ROP, consistent with IMC 0307, "Reactor Oversight Process Self-Assessment Program."

I. Changes to the ROP

SRM-COMSECY-16-0022, "Proposed Criteria for Reactor Oversight Process Changes Requiring Commission Approval and Notification" (ML17132A359), outlines the interactions the staff shall have with the Commission before making changes to the ROP.

1. The staff should present the following ROP changes to the Commission for approval.

   (a) Changes to fundamental elements of the ROP framework (e.g., cornerstones, cross-cutting areas, assessment inputs).

   (b) Additions, deletions, or significant modifications to oversight processes (e.g., cross-cutting issues, SDP). Changes involving notable differences in the level of industry or NRC effort, garnering extensive stakeholder feedback, or impacting the publicly available outputs of the ROP should be considered significant.

   (c) Changes to ROP thresholds including, but not limited to, SDP thresholds and PI thresholds.

   (d) Changes to the number of inputs needed to make column changes in the action matrix.

   (e) Additions, deletions, or significant revisions of PIs.

   (f) Specific, ROP-related, safety culture activities beyond communication and education.

(g) Initiation of any pilot projects involving the items above. A “pilot” is any activity used to test a potential change to the ROP with a subset of licensees.

(h) Items specifically identified by the Commission.

2. For changes that meet the following criteria, the staff should provide the Commission notification no later than 14 days before the effective date of the change or commencement of the pilot program. The staff should notify the Commission using an appropriate method, such as an informational Commission paper, a Note to Commissioners’ Assistants, or a briefing of Commission staff, based on the urgency and complexity of the change.

   (a) Significant changes to the implementation of existing ROP programs (e.g., baseline and supplemental inspection procedures, implementation of the assessment program).

   (b) Changes to definitions affecting the action matrix other than threshold changes.

   (c) Additions, deletions, or significant revisions of baseline inspections.

   (d) Initiation and completion of Temporary Instructions.

3. Staff may notify the Commission of other ROP changes of lesser significance (e.g., more routine changes to the baseline inspection procedures), after implementation, using an appropriate method.

Exhibit 1 Regulatory Framework for Operating Reactors

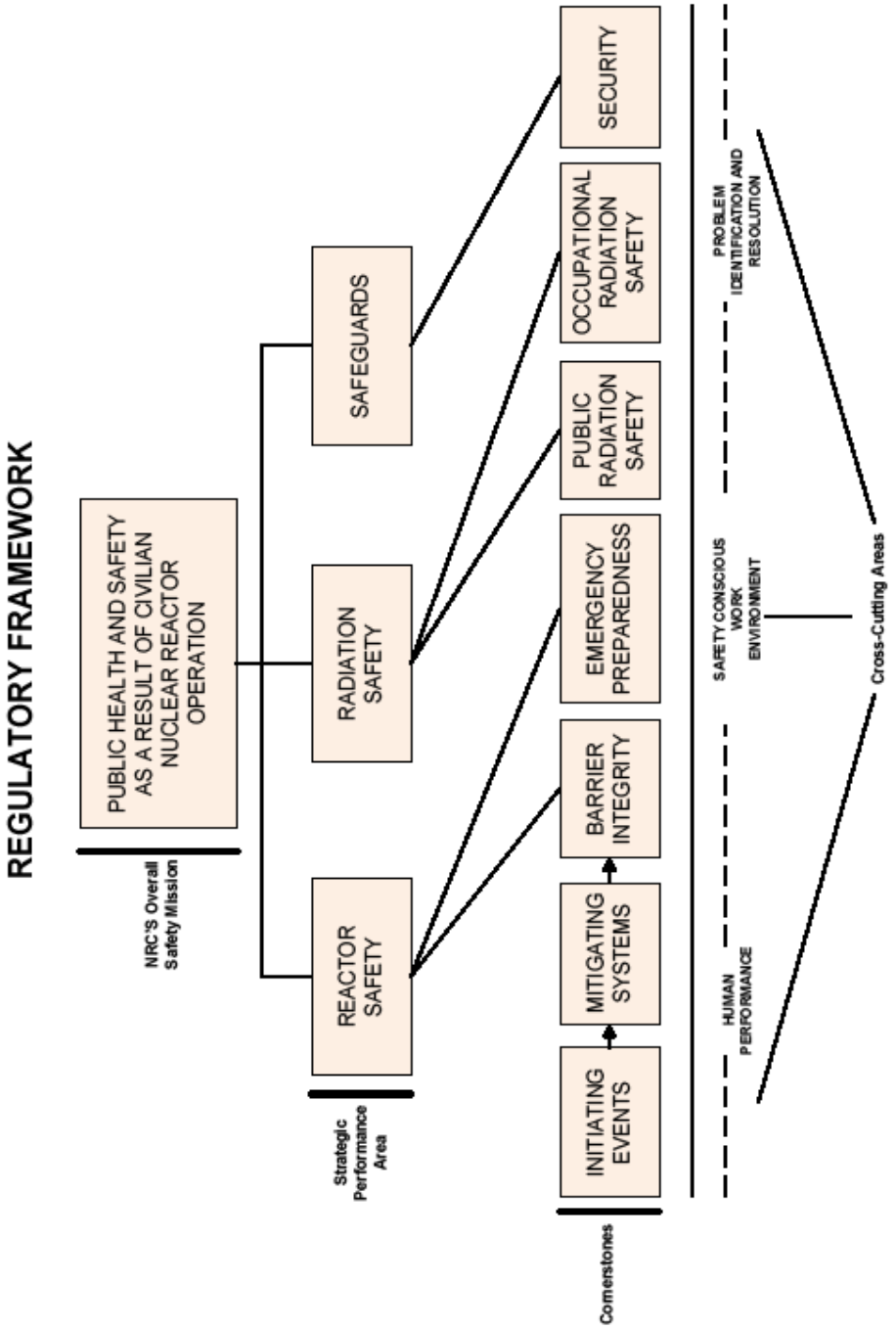

Exhibit 2 Reactor Oversight Process