Issue Escalation Process
(Model for ROP Task Force)

Background

In NEI's September 19, 2018 letter to NRC on Reactor Oversight Process (ROP) Enhancement, Recommendation 4D said that industry would develop a best practices document on escalation of issues resulting from disagreements with inspection results and conclusions. The recommendation was intended to ensure expectations for the handling of disagreements between NRC and the licensees are aligned on both sides of the regulatory relationship. Most licensees follow similar approaches to escalating disagreements on regulatory issues up their management chain. Recommendation 4D was to improve on this general similarity by providing to industry, and sharing with NRC, a consensus best practice on how to escalate regulatory disagreements, particularly those arising from inspections. This Issue Escalation Process is the result of Recommendation 4D and the work of members of the ROP Task Force, particularly a team led by Dave Gudger of Exelon. Questions or comments should be sent to NEI's Jim Slider at jes@nei.org or (202) 739-8015.

Introduction

During the normal course of business, it may become necessary to address opposing positions on a regulatory issue. In some cases, an independent peer reviewer or subject matter expert may be all that is required. However, in other cases, it may be necessary to escalate to higher levels of management. This document presents a protocol for escalation to ensure that escalation occurs only when necessary and in a manner that maintains the integrity of the relationships between those holding opposing positions.

Issue Escalation is a communication tool that ensures the appropriate level of management engagement and oversight necessary to drive resolution of issues at the lowest level possible. This protocol provides a systematic means to define and communicate a position that is based on verifiable information as well as insights from relevant operating experience. This protocol will be necessary when, after the necessary due diligence is applied, two or more affected parties have opposing positions regarding an issue or event. The methodology ensures complete and accurate understanding of a developed position at each level of management to enable appropriate intervention can take place at that level.

Escalation should be considered only when opposing positions remain unresolved after a robust and candid dialogue has occurred between the affected parties. In other words, discussion of the disagreement at the current level of both organizations must be completed before escalating the matter to the next level up.

A robust and candid dialogue is one in which an agreed upon problem statement, supporting facts, relevant requirements (i.e., completely encompassing and not short-sighted), and logical conclusions, are shared among the appropriate decision makers. Table 1 provides a recommended traveler documenting the essential information and the results of the escalation in a consistent manner. Table 2 provides an illustration of the counterpart levels for escalation between NRC and the licensee.

Following sections describe the principles that should guide the escalation process, and illustrative actions that would fulfill those principles.

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Principles of the Escalation Process

Principle 1 – Perform Due Diligence: Ideally, issues should be resolved between the issue-owning supervisors. For this reason, escalation should not be considered until after appropriate due diligence is exhausted at the current level of the organization(s).

Principle 2 - Agree to Escalate: Ideally, escalation should not occur until both the parties agree that escalation is necessary. For this reason, both parties should communicate their intent to escalate before escalating. When communicating the intent to escalate, the primary goal should be to obtain alignment that escalation is necessary.

> NOTE: Always consider using existing processes (FAQs, Regulatory Conference, etc.)
> as viable "exit ramps" from the escalation process where applicable.

Principle 3 – Escalate One Step at a Time: Ideally, issues should be resolved at the lowest level possible. For this reason, escalation should occur in a systematic step-wise fashion (as opposed to going "straight to the top").

Principle 4 - Communicate Results: Ideally, the disagreeing parties should be aligned on the resolution of an escalated issue. For this reason, it is important to communicate to everyone involved in the chain of escalation the insights and information that were instrumental to the ultimate decision makers who provided the final resolution of the disagreement.

Principle 5 - Lessons Learned: Ideally, escalation should be necessary only for disagreements arising from ambiguity in, or interpretation of, the applicable standards or when a specific event is of such a unique nature that existing guidance cannot be applied without interpretation. For this reason, when an issue is escalated, both parties should look for improvements in guidance or decision-making processes that could preclude the need to escalate similar issues in the future.

Action Plan for Escalating Issues between the Licensee and NRC
The actions presented below are meant to be illustrative and not intended to be prescriptive or binding. Site- and company-specific policies and procedures may govern how the suggested actions are to be accomplished at a particular plant.

Principle 1 Actions to Ensure Due Diligence:

- Supervisors and subject matter experts and site regulatory staff should review the communicated concern and develop a documented position based on applicable regulatory guidance, verifiable information and insights from relevant operating experience.

- Supervisors and managers should ensure that appropriate challenges and rigor are applied when finalizing a position. Consider peer checks from independent parties.

- Site regulatory staff should ensure the final position is shared with stakeholders. This includes the bases for the position, as well as alternatives considered, where applicable.

- The NRC inspector (or inspection team) shares the position of their technical staff with the licensee (e.g., during an inspection exit meeting).

- Site regulatory staff should facilitate a conference with NRC technical staff and appropriate licensee personnel. Opposing positions should be shared in a robust and candid dialogue with mutually agreed upon objectives.

NOTE: Refer to utility specific procedures regarding preparing for meetings with the NRC as well as company Communication expectations with outside agencies

Principle 2 Actions - Agree to Escalate:
Note: These steps apply at all levels of the escalation.

- Either NRC or licensee believes the issue should be escalated and communicates to the other party an intent to escalate.

- Bases for escalation should be clearly communicated, including salient points of disagreement.

- Both NRC and licensee agree that due diligence is complete, opposing positions are fully understood, concur with salient points of disagreement, and agree to escalate.

- Both NRC and licensee develop a focused escalation request (e.g., using the Attachment) summarizing the issue, the points of agreement, and the salient points of disagreement between the two positions that are preventing resolution.

- NRC and licensee agree on timing for coordinated escalation.

  NOTE: Once escalation is agreed to, develop a "Traveler" document based on the attached template to maintain continuity between meetings.

Principle 3 Actions - Stepwise Escalation
Note: NRC/Licensee example in italics

- Each step of the escalation process begins with Principle 1 actions (with appropriate owners) to ensure due diligence and alignment at each level. (See Table 2 below.)

- First Escalation – Escalate to the next level or authority, may not be completely independent:
  NRC Branch Chief and Licensee's Site Functional Area Manager (SFAM) or Licensing Manager

- Second Escalation – Escalate to the first level of authority that is independent:
  NRC Deputy Director and Licensee's Site Department Head or Corporate Licensing Director / Corporate Functional Area Manager (CFAM)

- Third Escalation – Escalate to independent subject matter experts at the next level of authority:
  NRC Director or Deputy Regional Administrator and Licensee's Site or Corporate VP

- Final Escalation – Consider if issue has generic applicability:
  NRC Regional Administrator and Utility Senior VP

Principle 4 Actions - Communicate Results:

- Parties reach resolution and identify key insights which supported resolution

- The final resolution, including key insights that led to decision, is shared back down the chain of escalation to the original inspector and site supervisor.

Principle 5 Actions - Lessons Learned:

- Both parties, using key insights as a guide, consider lessons learned from the escalation outcome as a basis for potential process improvements to avert the need for escalation in the future.

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Table 1: Escalation Template

ESCALATION ISSUE SUMMARY AND FACTS		
TITLE:		
PROBLEM STATEMENT:		
EVENT SUMMARY: (CAP summary / timeline, etc.)		
REGULATORY POSITION: (Facts only)	NRC: Bases, Supporting Information:	LICENSEE: Bases, Supporting Information:
APPLICABLE STANDARDS: (Reg Guides, NEI Documents, RISs, GLs, etc.)		
OTHER RELEVANT DOCUMENTS: (Root Cause / Operator Logs / Maintenance Records, etc.)		
REGULATORY SIGNIFICANCE:		
JUSTIFICATION FOR LSSIR: (if applicable)	Justify why NOT in Licensing Basis: Justify why LOW saftey significance:	
IMPACT OR CONSEQUENCE:	Impact on Plant / Utility (Cost):	
	Industry Impact (Precedent Setting):	
ISSUE OWNER: (Affected/Owning Department)		
ESCALATION I MEETING RESULTS		
MEETING DATE, PARTICIPANTS		
UPDATED INFORMATION, FACTS, RESOLUTIONS		
ACTIONS TAKEN		
ESCALATION II MEETING RESULTS		
MEETING DATE, PARTICIPANTS		
UPDATED INFORMATION, FACTS, RESOLUTIONS		
ACTIONS TAKEN		
ESCALATION III MEETING RESULTS		
MEETING DATE, PARTICIPANTS		
UPDATED INFORMATION, FACTS, RESOLUTIONS		
ACTIONS TAKEN		

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Table 2: Management Counterparts

Level of Escalation	Licensee	NRC
Initial Issue Owners	Functional Area Supervisor (FLS)	Senior Resident Inspector or Inspection Team lead
Initial Escalation	Manager, Site Functional Area and Corporate Reg Assurance Manager	Branch Chief
Second Escalation	Site Department Head, Corporate Functional Area Manager	Deputy Director
Third Escalation	Site VP and Corporate Director, Regulatory Affairs	Director or Deputy Regional Administrator
Final Escalation	Utility VP (Functional Area and Reg Affairs)	Regional Administrator

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