



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

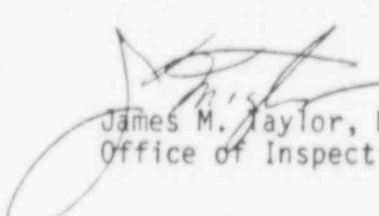
December 12, 1985

MEMORANDUM FOR: Thomas E. Murley, Regional Administrator, Region I
J. Nelson Grace, Regional Administrator, Region II
James G. Keppler, Regional Administrator, Region III
Robert D. Martin, Regional Administrator, Region IV
John B. Martin, Regional Administrator, Region V
Victor Stello, Jr., Deputy Executive Director for
Regional Operations & Generic Requirements
Harold R. Denton, Director, Office of Nuclear Reactor
Regulation
Guy H. Cunningham, III, Executive Legal Director

FROM: James M. Taylor, Director
Office of Inspection and Enforcement

SUBJECT: STAFF ACTIONS BASED ON CATEGORY THREE SALP EVALUATIONS

The EDO's memorandum of November 26, 1985 regarding NRC lessons learned from the Davis-Besse event notes that "Our safety review and inspection programs as currently structured have proven capable of identifying problems in plant design and licensee performance that could adversely affect safety (e.g., the lack of diversity/reliability in the Davis Besse AFW system design, and the pattern of low/deteriorating SALP ratings for Davis Besse). However, we have not always reacted to indications of problems provided by these programs in a way that led to timely correction of the problems identified." The enclosed draft memorandum represents a more formal approach to prompt and uniform reaction by NRC following Category Three SALP evaluations. I would appreciate your comments on this approach by December 31, 1985.


James M. Taylor, Director
Office of Inspection and Enforcement

Enclosure:
Draft Memorandum

9512136589 x4 4pp.



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This memorandum provides policy on the enforcement actions to be considered in those cases where one or more SALP functional areas are rated as Category Three. In the past, the evaluation of functional areas as SALP Category Three has resulted in varying actions by Regional Administrators. The purpose of this memorandum is to provide standardized procedures for possible enforcement actions based upon SALP results. These standardized procedures are meant to provide uniform enforcement while maintaining a measure of flexibility for Regional Administrators in applying appropriate regulatory programs at individual facilities.

The following general procedures should be implemented as soon as feasible. Regional Offices are expected to implement this policy for all SALP evaluation periods ending after . The procedures to be followed can be categorized under four representative cases:

- Case 1

Facilities with any single, nonrepetitive Category Three Area:

Licensee corrective action plans should be formally requested in the letter forwarding the SALP Board Report. The Regional Administrator should consider the need for a meeting with licensee management as per standard SALP procedures. The adequacy of the licensee's corrective action response should be addressed in the Regional Administrator's final SALP letter. Inadequate responses should result in a formal enforcement action as described below.

- Case 2

Facilities with (a) any repetitive Category Three (with the absence of a significant up trend in recent performance) in the areas of Radiological Controls, Fire Protection, Emergency Preparedness, Security, Outages and Licensing Activities or (b) facilities with two or more SALP Category Three evaluations in these areas:

These conditions may or may not result in formal enforcement action. As a first step in most cases, the Regional Administrator's letter forwarding the SALP report should schedule a licensee management meeting and should require the submittal of a written response in sufficient time for NRC staff review prior to the management meeting. If the Regional Administrator determines that the licensee's corrective action plans are highly responsive, then formal enforcement action is not required. An inadequate response by the licensee should result in formal enforcement action. A decision on the need for formal enforcement action should be made in consultation with IE and NRR.

- Case 3

Facilities with (a) any repetitive Category Three (with the absence of any significant up trend in recent performance) in the areas of Plant Operations, Maintenance, Surveillance, Quality Programs and Training or (b) facilities with two or more SALP Category Three evaluations in these areas*:

Licensee corrective action in these critical safety areas should be addressed through formal enforcement action in accordance with the guidance provided below. As a first step in most cases, the Regional Administrator's letter forwarding the SALP report should schedule a licensee management meeting and should require the submittal of a written response in sufficient time for NRC staff review prior to the management meeting. Arrangements for NRR and IE participation in the management meeting should be arranged. The nature of the subsequent enforcement action will be determined in discussions with NRR and IE following the licensee management meeting. However, in some cases involving operational safety it may be appropriate to take more prompt enforcement action following completion of the SALP report and prior to a licensee meeting and response.

- Case 4

Facilities with SALP results not specifically addressed in Cases 1-3 (for example, SALP Category Three evaluations in Operations and Security):

The procedures for Case 1 should generally be followed. A licensee management meeting should normally be held in any case where there are two or more SALP areas evaluated as Category Three.

- Enforcement Actions

The following paragraphs describe several options which exist for enforcement action based upon SALP results. Enforcement action appropriate to each situation must be addressed on a case basis.

*This case is also applicable to the Preoperational Testing area and all construction hardware areas.

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If sufficient NRC information exists to specifically identify facility performance problems as well as the licensee actions necessary to correct them, an order modifying the license should be issued requiring the licensee to take certain specific actions. Whether the order is issued before or after receipt of the licensee's response to the SALP report depends upon the nature of the identified weaknesses and the need to take prompt action based upon operational safety considerations.

If the causes of the performance problems or the specific actions necessary to fix the problems are not known by NRC, a 50.54(f) letter would be issued requiring the licensee to submit information under oath about what it is doing to correct the problems, including any regulatory improvement programs which the licensee is developing. Although the commitments made by a licensee in response to such a letter are not specifically enforceable, they can form the basis for a more specific enforcement order or a confirmatory order.

Another type of order that has been used is one directing the licensee to hire an independent management consultant to evaluate the licensee's program and identify problems and recommend solutions. Such orders have been used where a licensee does not seem to have the ability to identify and solve its own problems without outside assistance and NRC does not have sufficient information to direct specific actions.

Enforcement actions such as orders to show cause why the license should not be suspended or revoked, or why the plant should not be derated, should be considered for those cases in which the staff believes that continued operation may not be warranted without prompt corrective action. In such cases, an Order should not be held up pending the receipt of a licensee response.

These procedures will be incorporated into either the NRC SALP Manual Chapter or into IE Manual Chapter 0400. Your comments based upon initial use of the procedures would be appreciated. Questions regarding SALP procedures and enforcement policy should be directed to J. G. Partlow or J. Axelrad, as appropriate.

James M. Taylor, Director
Office of Inspection and Enforcement

cc: W. Dircks
V. Stello
H. Denton
J. Lieberman