

NOTATION VOTE

RESPONSE SHEET

TO: John C. Hoyle
Secretary of the Commission

FROM: COMMISSIONER DICUS

SUBJECT: SECY-97-072 - STAFF ACTION PLAN TO IMPROVE THE
SENIOR MANAGEMENT MEETING PROCESS

Approved X w/comments Disapproved _____ Abstain _____

Not Participating _____ Request Discussion _____

COMMENTS:

See attached comments

John C. Hoyle
SIGNATURE

Release Vote / x /

May 14, 1997
DATE

Withhold Vote / /

Entered on "AS" Yes X No _____

The staff has made a good start at improving the SMM process, and its use of performance indicators. I approve of the staff's action plan to improve the SMM process, subject to the following comments:

1. One of the major activities during the SMM process is the identification of "discussion plants," and the ability to derive from that list, an identification of those plants that warrant heightened NRC attention. It has been recognized (including the Arthur Anderson study) that the SMM process has been effective in identifying those discussion plants. The weakness in the process, however, has been in deriving the list of plants that warrant increased scrutiny of plants in a consistent and transparent fashion, from the larger population of discussion plants.

The staff's activities regarding performance indicators, as proposed in SECY-97-072 do not address this issue. Correlation and validation of methodologies and trend plots to results of discussion plant listings of past SMMs, as staff currently proposes, do not direct the focus toward identifying those plants that warrant increased attention. Staff should reexamine its activities in this area to ensure that its efforts related to performance indicators will produce tools that will help senior managers identify facilities that warrant increase NRC attention in a consistent manner. Staff's use of the "rebuttable presumption" concept is useful in arguing whether or not a plant has been properly categorized, once it has been categorized by using other objective criteria, but is not appropriate in establishing a plant's initial categorization.

2. Any new performance indicators, models, algorithms or trend plots that are to be used to assist in staff's assessment of plant performance, should first be validated, verified to be statistically meaningful, peer reviewed and trial-tested. Since the assessment of plant and licensee performance is a function that is integral to NRC's missions, NRC's technical staff should be involved in all of these efforts.

Staff should also ensure that it maintains adequate core capability in the area of performance indicators in order to minimize reliance on contractor expertise to perform this function. It is essential for staff to possess expertise in this area in order to assist senior managers in putting PI's and the ultimate categorization of plants in proper context.

3. In past years, AEOD has collaboratively worked with RES in the development of improved performance indicators as well as leading indicators. AEOD should

continue to utilize the expertise and perspectives of RES and other program offices in this activity area.

4. As I have indicated in previous discussions on this issue, the Resident Inspectors are crucial to NRC in monitoring plant performance and their views should be given prominence and careful consideration in the SMM process. I encourage the staff to consider this as they make proposals to the Commission to improve the SMM process.
5. I agree with and fully support the Comments in Commissioner Diaz's vote on this SECY paper.
6. The staff should be reminded that changes to the process and standards utilized in the SMM process, including those resulting from or adopted based on the Arthur Anderson comments and recommendations, should be presented to the Commission for approval prior to implementation.