

NOTATION VOTE

RESPONSE SHEET

TO: John C. Hoyle, Secretary

FROM: COMMISSIONER MCGAFFIGAN

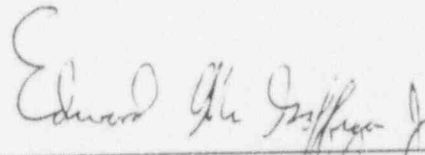
SUBJECT: SECY-97-072 - STAFF ACTION PLAN TO IMPROVE
THE SENIOR MANAGEMENT MEETING PROCESS

Approved ☒ (w/cmts) Disapproved _____ Abstain _____

Not Participating _____ Request Discussion _____

COMMENTS:

My comments are attached.



SIGNATURE

Release Vote ☒

5/16/97

DATE

Withhold Vote ☐

Entered on "AS" Yes ☒ No _____

Commissioner McGaffigan's comments on SECY-97-072

I concur with the Chairman's comments concerning the algorithm that the staff intends to develop based on the recommendations of the Arthur Andersen Company. Given the historic difficulty in finding and validating leading indicators, I would be happy if the staff were able to identify one or more concurrent indicators. I would urge that this activity be completed as expeditiously as possible, and that some elements be incorporated in the Senior Management Meeting (SMM) process, even if other elements are proving difficult to develop.

I agree with Commissioner Diaz on the importance of the SMM process and that it should be the best possible.

The placement of each facility's Plant Issues Matrix in the public domain, perhaps as an attachment to the plant performance review letter sent to licensees every six months, should, together with the issuance of NRC inspection reports and the Systematic Assessment of Licensee Performance report, assure that licensees have ample opportunity to comment on NRC views and positions with respect to licensee performance, and take needed corrective actions to change performance.

I also agree with the comments of Commissioner Rogers, including that the staff need not come back to the Commission prior to implementing improvements in sampling frequencies and better mechanisms for licensee involvement at the end of the SMM process.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001



OFFICE OF THE
SECRETARY

June 24, 1997

IN RESPONSE, PLEASE
REFER TO: M970424B

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

John T. Larkins
Executive Director, ACRS/ACNW

FROM:

John C. Hoyle
John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - BRIEFING ON STAFF
RESPONSE TO ARTHUR ANDERSEN STUDY
RECOMMENDATIONS, 1:30 P.M., THURSDAY, APRIL
24, 1997, COMMISSIONERS' CONFERENCE ROOM, ONE
WHITE FLINT NORTH, ROCKVILLE, MARYLAND (OPEN
TO PUBLIC ATTENDANCE)

and

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

The Commission was briefed by the NRC staff on the action plan to improve the Senior Management Meeting (SMM) process in response to the recommendations in the Arthur Andersen Study. The Commission approved the staff's plan to improve the SMM process, subject to the following comments.

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 Andersen 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 in a consistent and transparent fashion from the larger population of discussion plants. The staff plan to improve the SMM process should focus on rectifying weaknesses in the process.

The staff should critically evaluate the proposed Arthur Andersen approach, assumptions, completeness, and recommendations paying particular attention to the weighing of data, use of unequal time periods, random variation in count data, and rising standards. The staff should consider development of performance indicators that provide leading or concurrent indication of plant performance, to the extent practicable, and that identify facilities that warrant increased NRC attention in a consistent

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manner. As such, the staff should consider the periodicity and timing of data for performance indicators and other data for use in the SMM process. The Office for Analysis and Evaluation of Operational Data (AEOD) should continue to work with the Office of Research and other program offices in these efforts, particularly to improve human performance evaluations.

The staff's evaluation of the Arthur Andersen algorithm, or any other performance algorithm should include an evaluation of the algorithm's detection capability as a function of time and an assessment of its propensity to produce false positives and false negatives. The algorithm should be peer reviewed, and should be benchmarked and trial-tested before being relied upon for making assessments or comparisons.

The staff should also describe clearly how the plant performance template and the Arthur Andersen algorithm will be used to support the SMM process. For example, the staff should indicate whether the quantitative template attributes will be included as indicators in the Arthur Andersen algorithm and how the remaining qualitative attributes will be used to focus discussions at the SMM.

The staff should strive to determine more precisely and objectively the specific criteria and thresholds for determining NRC action levels and assignment to Category 2 or 3. There should be a clearly defined threshold that differentiates in a consistent manner the plants that warrant increased NRC attention.

The Resident Inspectors' and Project Managers' views should be carefully considered as changes to the SMM process are developed by the staff.

The Commission urged the staff to move forward with the planned improvements on a timely basis.

The staff should ensure that it maintains adequate core capability and proficiency relative to the development, improvement, evaluation and interpretation of performance indicators in order to minimize reliance on contractor expertise to perform this NRC function.

The staff should provide a follow-up briefing to update the Commission on progress on the above items.

(EDO)

(SECY Suspense: 10/17/97)

The Commission requested that the ACRS review the improvements being made to the SMM process.

(ACRS)

(SECY Suspense: 10/17/97)

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CFO
CIO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR - Advance
DCS - P1-17