SECY-97-225

October 2, 1997

FOR: The Commissioners

FROM: L. Joseph Callan /s/
Executive Director for Operations

SUBJECT: ENHANCING NRC EFFECTIVENESS AND EFFICIENCY

PURPOSE:

To respond to the Commission's request to broaden the approach to Direction Setting Issue (DSI) -23, Enhancing Regulatory Excellence, beyond Option 2, and provide recommendations on how broadly and quickly the NRC can realistically undertake an agency-wide effort of program assessment and improvement with the goal of enhancing NRC effectiveness and efficiency.

BACKGROUND:

During recent years, there have been many initiatives intended to enhance the excellence of our work. Among these are: the Principles of Good Regulation, the NRC Organizational Values, and the Principles of Good Financial Management. There have also been various ongoing efforts of self-assessment and program improvement conducted by the offices and regions that have had a positive impact.

In August 1995, the staff initiated a Strategic Assessment and Rebaselining Project. This project was intended to take a new look at the NRC by conducting a reassessment of NRC activities in order to redefine the basic nature of the work of the Agency and the means by which that work is accomplished, and to apply to these redefined activities a rigorous screening process to produce (or rebaseline) a new set of assumptions, goals, and strategies for the NRC. DSI-23, Enhancing Regulatory Excellence, is a key output of this effort.

In December 1996 the position of Deputy Executive Director for Regulatory Effectiveness (DEDE) was established to provide a high-level program evaluation focal point, independent of the line organizations responsible for the day-to-day implementation of regulatory programs. The DEDE staff offices, which include the Office of Analysis and Evaluation of Operational Data (AEOD), Office of Nuclear Regulatory Research (RES), Office of Investigations (OI), and Office of Enforcement (OE) were grouped to facilitate improved program oversight and assessment of regulatory effectiveness. The development of the efforts described in this paper will further define and enhance this capability.

In May 1997, the staff submitted SECY-97-103, Development of a Program to Improve Regulatory Effectiveness, which presented recommendations to implement one portion of an overall program to enhance regulatory excellence. That paper was withdrawn based on Commission views of the proposed approach.

In July 1997, three one-day workshops were held to obtain input from a cross section of NRC managers at various levels as well as representatives of the NTEU on the topic of NRC excellence. These sessions, referred to in this paper as the excellence workshops, provided insights from management and non-management representatives to help formulate the approach described in this paper. Each of these sessions was attended by approximately 20 people. The NTEU was represented by approximately four people at each session.

The initiatives described in this paper were developed to be consistent with the Strategic Plan; DSI-23; the staff requirements memorandum (SRM) issued March 27, 1997, Staff Requirements - COMSECY-96-067, Enhancing Regulatory Excellence; and the SRM issued June 17, 1997, Staff Requirements - Briefing on Program to Improve Regulatory Effectiveness. They also extend to matters covered in a number of DSIs, many of which are interrelated among themselves and integral to regulatory excellence activities. The FY 1998 Excellence Plan provides an overall framework within which these activities can be coordinated. The details of this coordination will be included in the detailed Excellence Plan to be provided in December 1997.

DISCUSSION:

Regulatory excellence was defined in DSI-23 as "a dedication to safety, a commitment to the principles of good regulation, and the pursuit of superior staff performance" and further described as involving both "regulatory effectiveness" and "regulatory efficiency" components. Regulatory excellence can be further described as the overall ideal toward which we strive, in which NRC regulations, processes, procedures, personnel, and interactions are an embodiment of the highest standards of performance, including the Principles of Good Regulation, the elements of the NRC Safety Philosophy, and the NRC Organizational Values. Regulatory excellence involves an organizational culture that fosters a motivating attitude at all levels, manifested in superior performance in individual and collective actions.

Regulatory effectiveness can be further described as the successful execution of the set of strategies to be used in striving for excellence, which should include: (1) grass roots participation, feedback and consensus-building; (2) incorporating the input and needs of external stakeholders; (3) incorporating existing strategies for improving performance; and (4) producing regulatory outputs that contribute to desired outcomes. Regulatory effectiveness involves the establishment of goals for improving performance, the development of strategies for achieving those goals, and the measurement of progress according to agreed-upon success criteria. Regulatory effectiveness implies a willingness to listen to divergent views, a determination to learn from experience, and a questioning attitude. Regulatory efficiency is directed at ensuring that the NRC implements programs in an efficient and cost-effective manner for both the government and its licensees.

In response to the Commission's request on how broadly and how quickly the staff can realistically phase in an agency-wide approach to program assessment and improvement of the NRC's infrastructure, the staff plans in FY 1998 to build on and integrate with existing initiatives and to transition

into a more comprehensive and systematic approach. This will minimize the disruption to ongoing improvement initiatives and recognize that many of these activities are either directly mandated by the Commission or being undertaken as part of the development of Direction Setting Issues. Consistent with this approach, goals and strategies were developed for a newly formulated FY 1998 NRC Excellence Plan. These goals and strategies are listed in Appendix A. Also provided in Appendix B is a description of an approach, intended to be ongoing, that would contribute to enhancing NRC effectiveness and efficiency in a more comprehensive and systematic manner.

As noted above, the overall approach for developing the Excellence Plan is to build on existing initiatives. Consistent with this approach, the specific strategies for the FY 1998 NRC Excellence Plan are based on self-assessments and improvement initiatives that were already planned, underway, or contemplated and under the auspices of the Executive Director for Operations, the Chief Financial Officer, and the Chief Information Officer. The Program Review Committee (PRC) selected and recommended a set of assessment and improvement activities warranting oversight by the PRC/Executive Council (EC).[(1)] Most of these were already being conducted under the scope of other DSIs or were otherwise mandated. Using the PRC recommendations, the EC approved the assessment and improvement activities that were used to develop the strategies that will be part of the FY 1998 NRC Excellence Plan. A similar process will occur on an annual basis as part of the NRC planning and performance measurement process to update the NRC Strategic and Performance Plans and the strategies in the NRC Excellence Plan. The goals of the Excellence Plan were derived primarily from the Strategic Plan and the SRM dated March 27, 1997.

The involvement of the PRC and EC in this process was consistent with guidance provided in the SRM dated March 27, 1997, that the EC should oversee the development of the NRC Excellence Plan. In the future the PRC and EC will prioritize and select these issues based on the potential value added with respect to the effectiveness and efficiency of meeting agency goals. This will include considering the impact on safety, the potential for improving the ability of the Agency to meet its goals, resource impact to the NRC and licensees, impact on quality of Agency work, staff morale, and public confidence in NRC activities.

There were other initiatives identified by the offices that were not selected for inclusion in the NRC Excellence Plan. These activities will either be incorporated in operating plans and considered by the PRC and EC during program reviews or, because of narrow impact or small resource implications, proceed or be dropped without further PRC or EC involvement.

During FY 1998 we intend to transition to a more structured, ongoing approach to planning, conducting self assessments, evaluating and measuring the effectiveness of our programs, improving the quality and efficiency of our efforts, and being responsive to the views of internal and external stakeholders. This approach will more effectively utilize the contribution of the DEDE organization and involves four ongoing efforts to support the NRC Excellence Plan:

- integration with the Agency planning and performance measurement process,
- program improvement initiatives,
- organizational culture improvement initiatives, and
- excellence program coordination and support.

The approach for this ongoing program to enhance NRC effectiveness and efficiency was developed to conform with the principles of DSI-23, the requirements provided by the Commission, and guidance from the NRC Strategic Plan. It is also intended that the approach be consistent with the following:

- NRC management should nurture a commitment to excellence for all employees.
- Initial efforts to enhance excellence should build on and integrate with existing initiatives.
- Build on existing NRC standards of excellence such as the principles of good regulation, the principles of good financial management, and the NRC organizational values.
- Focus on meeting the requirements of the Government Performance and Results Act.
- Integrate with the Agency planning and performance measurement process.
- Program outputs should lead to desired program outcomes.
- The day-to-day work of the Agency should be aligned with its strategic and performance plans.
- Work processes and products of the Agency need to take into consideration the needs of the internal and external stakeholders.

The near-term activities planned to develop an ongoing, comprehensive, and systematic approach to assessment and improvement are described in Appendix C.

RESOURCES:

Most of the Excellence Plan strategies and the other efforts described to support an ongoing comprehensive and systematic program of assessment and improvement are already included in the FY 1998 budget. Preliminary estimates for implementation of the Excellence Plan strategies are provided in Appendix C. Complete resource estimates will be included in the Excellence Plan scheduled to be submitted to the Commission in December 1997.

COORDINATION:

The Office of the General Counsel has no legal objection to this paper. The Chief Financial Officer and Chief Information Officer have concurred in this paper.

RECOMMENDATIONS:

Unless the Commission directs otherwise, the staff will proceed with the development of detailed plans to implement the strategies included in the FY 1998 NRC Excellence Plan and the activities planned to support ongoing efforts to enhance NRC effectiveness and efficiency.

The Commission should note that:

1. The scope of the ongoing efforts to enhance effectiveness and efficiency are intended to include Commission level offices with direct involvement in the Agency planning and performance measurement process. The development of the NRC Excellence Plan strategies for FY 1998 was limited to the offices under the auspices of the EDO, CFO, and CIO.

2. The details of the FY 1998 NRC Excellence Plan will be provided in December 1997, including milestones, schedules, and criteria for measuring success for the strategies listed.

3. The strategies provided in this plan will contribute to the strategic performance goal to evaluate and implement needed improvement for five major NRC processes by July 1, 1999, although not all of the candidate issues are scheduled for completion before this date.

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Appendix A

Goals and Strategies for the FY 1998 NRC Excellence Plan

The overarching goal of the NRC Excellence Plan as stated in the Strategic Plan is:

Carry out the NRC regulatory program efficiently and effectively.

Summary of FY 1998 NRC Excellence Plan Goals and Strategies:

Goal:	Improve a manageable but broad range of NRC regulatory programs, rules, standards, and regulatory guidance.(2)
Strategies:	Evaluate the reactor inspection program to determine if it achieves its intended goals in an efficient and effective manner and make recommendations for improvement. Phase 1 ongoing in FY98, Phase 2 to begin in FY99 Evaluate the licensing support and regulatory oversight of the operating reactors program to determine if it achieves its intended goals in an efficient and effective manner and make recommendations for improvement. Enhance safety decision making, make more efficient use of NRC resources and reduce burden on licensees through use of PRA insights. Improve the medical regulatory program by modifying 10 CFR Part 35 to be more risk-informed and performance based. Develop a process and identify candidate issues for improving the effectiveness and efficiency of rules, standards, regulatory guidance and their application. Increase effectiveness and efficiency of the regulatory process by expediting evaluation of industry initiatives and promoting more rapid adoption of consensus standards
Goal:	Improve the NRC's processes and management and support functions so as to enhance the efficiency and performance of the NRC staff
Strategies:	Assess core capability needs by comparing requirements to current availability. Improve core competencies through recruitment, training, and development of staff and/or identification and acquisition of contractor services. Evaluate headquarters and regional support to determine if it achieves its intended goals in an efficient and effective manner and make recommendations for improvement. Assess the effectiveness, including integration and data sharing, of information systems supporting NRC's major business areas. Improve information systems supporting resource management (STARFIRE) Improve information systems supporting document and records management (ADAMS). Improve information systems supporting the reactor inspection and licensing programs (Reactor Program System - RPS)
Goal:	Create an environment that will promote enhanced effectiveness and efficiency of NRC activities in an open manner with the support and input of our internal and external stakeholders.(3)
Strategies:	Assess the NRC organizational culture and make recommendations for improvement.

Description of FY 1998 NRC Excellence Plan Strategies:

STRATEGY 1-- Evaluate the reactor inspection program to determine if it achieves its intended goals in an efficient and effective manner and make recommendations for improvement.

The NRC is developing improvements to the inspection and assessment programs. Specific activities include 1) performing an Integrated Review of the NRC Assessment Process (IRA) to develop a new assessment process (part of DSI 11), 2) developing and implementing improvements to the Senior Management Meeting (SMM) Process to improve its objectivity and effectiveness, 3) reviewing the results of the job task analysis (JTA) of regional DRP inspection functions to identify and address problems related to job task assignment and identify and develop appropriate training, 4) developing task specific labor rates (including regional programs), and 5) developing improvements to the inspection program in response to Millstone-Maine Yankee Inspection Program Lessons Learned.

SECY-97-122, "Integrated Review of the NRC Assessment Process for Operating Commercial Nuclear Reactors," was forwarded to the Commission on June 6, 1997. This paper outlined the approach the staff is taking and provided a schedule of activities. The first major activity is a kick-off meeting from September 29 to October 1, 1997.

On September 19, 1997, the staff briefed the Commission on the status of the integrated review and the status of improvements to the SMM. Several improvements are being developed and implemented for use at future SMMs. This activity is primarily being conducted by NRR and AEOD but also includes significant support from RES and extensive involvement of most other offices and the regional offices.

The JTA project is continuing with the development of specific implementation recommendations.

The staff is continuing to develop improvements to the NRC inspection program to address weaknesses that were identified by review activities such as the lessons learned efforts.

NRR, AEOD, 0E, OPA, RES, and the Regions are involved in this effort. The resources currently budgeted in NRR for the IRA activities described above in FY 1998 are 5.0 FTE and $229K. Phase 2 will evaluate the reactor inspection program and develop broader recommendations to improve the structure, size, and focus of the inspection program. The scope, schedule, and resources for phase 2 will be determined following a sufficient completion of phase 1.

STRATEGY 2-- Evaluate the licensing support and regulatory oversight of the operating reactors program to determine if it achieves its intended goals in an efficient and effective manner and make recommendations for improvement.

The NRC is developing improvements to the licensing and regulatory oversight functions. Specific activities include 1) job task analysis (JTA) of NRR Project Management, 2) Millstone-Maine Yankee licensing lessons learned, 3) implementation of the Associate Director for Projects Process Improvement Plan and 4) development of a licensing oversight group. The focus of these sub-tasks will be to improve the effectiveness and efficiency of the licensing support and regulatory oversight of the operating reactors.

As previously noted in a number of Commission papers, including SECY-97-036, "Millstone Lessons Learned Report, Part 2," and SECY-97-205, "Integration and Evaluation of Results from Recent Lessons-Learned Reviews," the Associate Director for Projects (ADPR) in NRR established a Process Improvement Plan (PIP) to address concerns regarding the NRC's licensing process that were raised at Millstone, Haddam Neck, and Maine Yankee. Following the establishment of the PIP by the ADPR, the staff expanded the plan to address many other issues within the NRR Projects organization. As additional staff action items are identified, they are added to the PIP for tracking, and individuals and due dates are assigned to develop guidance, training, or other appropriate actions. The staff continues to complete action items, such as updating the revised Project Manager (PM) Handbook . As a result, the PIP currently identifies a total of 140 action items, of which more than 98 action items improving the efficiency and effectiveness of the Projects Staff have been completed and a number of others are in final concurrence. The regions and other NRC offices are consulted and their comments incorporated as part of the development of various guidance or generic communications. As part of ongoing activities under the ADPR PIP, the staff continues to modify its processes to clearly identify those licensee commitments on which the staff relied to make regulatory decisions. Guidance to implement this effort is in concurrence at this time, with a pilot program for licensing actions completed.

As contained in SECY-96-135, "Response to Event Inquiry - Maine Yankee Atomic Power Station," NRR management initiated a job task and functional analysis (JTA) to reassess the respective roles and responsibilities of the Headquarters Division of Reactor Projects. The PM JTA will focus on the functions of the project managers. It is expected that a better understanding of the roles and responsibilities of the PMs will result from this study. The contractor effort on the PM JTA has started and is expected to be completed about April 1998. This JTA is using the same contractor as was used for the regional JTA to ensure continuity, and to address the important role of coordination between the resident inspector and project manager. The contractor is becoming familiar with the role of the project manager, based on the PM handbook and other information provided to them, and will conduct onsite interviews during the week of September 29, 1997.

The staff has also initiated efforts to form a licensing oversight group to evaluate the effectiveness and implementation of the licensing program for commercial reactors and other NRR programs. The activities of this new oversight section will include the review of licensing program policy and guidance, evaluating the implementation of the licensing program at headquarters and regional offices and at selected reactor sites, obtaining feedback on the impact of NRC activities on licensees, and assessing the overall effectiveness of the licensing program. Staffing for the new section is being reviewed at this time.

The Offices of NRR, OGC and the Regions are involved in this effort. The resources currently budgeted for this work are 1.0 FTE in FY1998 and FY1999.

STRATEGY 3 - Enhance safety decision making, make more efficient use of NRC resources and reduce burden on licensees through use of PRA insights (DSI 12).

In August of 1995 the Commission issued a policy statement encouraging the greater use of PRA in regulatory activities to enhance decision making, make more efficient use of NRC resources and reduce unnecessary burden on licensees.

A number of activities are currently underway or planned to implement the policy statement. The activities are documented and updated quarterly in the PRA Implementation Plan

The major activities included in the PRA implementation plan are:

1) The development of guidance for reactor licensees regarding the use of risk information to support changes to a plant's current licensing basis, including reducing unnecessary burdens. Currently, five regulatory guides and four standard review plans are under development covering the areas of general guidance, inservice testing, inservice inspection, technical specifications and graded quality assurance. All of these guides and standard review plans are to be completed by 12/31/97, except for inservice inspection which is scheduled for 4/30/98.

2) Utilize the insights from the IPE reviews and other risk assessments (including the recent NEI proposal for assessing 3 pilot plants using a full scope PRA) to improve the inspection program, improve plant safety and improve regulatory requirements, including identifying those requirements where the regulatory burden is not commensurate with the risk involved.

3) Training of the NRC staff in the use of risk assessment in regulation.

4) Development and improvement of risk assessment methods to reduce uncertainty and expand the uses of PRA (e.g., fire risk, human reliability.)

5) Assessment of the risk from low power and shutdown operations.

6) Development, in conjunction with industry, of a national consensus standard on PRA quality.

7) Assessment of the risk from non-reactor activities.

In addition to the risk assessment activities, a plan for assessing and implementing more performance based regulation is also being developed in FY1998. Both of these initiatives are building upon the Regulatory Review Group recommendations, marginal to safety program and other previous experience with risk-informed, performance-based regulation and will factor in public and industry comment.

NRR, NMSS, AEOD, RES, and OGC are involved in this effort. This effort has been and will continue to be coordinated with DSI-13. Because of the breadth of scope of this previously planned activity, a significant fraction of the resources devoted to PRA throughout the agency are involved. Resource estimates for these activities will be provided in December. The PRA Implementation Plan contains the completion dates for the individual activities and will be expanded to include the performance-based activities. The overall program will likely continue to evolve as time goes on and include new initiatives where risk insights can be used to improve regulation.

STRATEGY 4 -- Improve the medical regulatory program by modifying 10 CFR Part 35 to be more risk-informed and performance based. (DSI 7)

The revision of NRC's medical regulatory program is a planned activity designed to focus on developing specific improvements in the regulations governing the medical use of byproduct material. NRC has examined the issues surrounding its medical use program in detail during the last four years. The process started with NRC's 1993 internal senior management review report; continued with the 1996 independent external review report by the National Academy of Sciences, Institute of Medicine; and culminated in NRC's Strategic Assessment and Rebaselining Project (SA). In particular, medical oversight was addressed in the SA Direction-Setting Issue Paper Number 7 (DSI 7),Materials/Medical Oversight. In SRM - COMSECY-96-057, the Commission directed the staff to submit a plan for revising Part 35, associated guidance documents, and, as necessary, the Commission's 1979 Medical Policy Statement.

Under the program approved by the Commission, the staff is considering how Part 35 can be restructured into a risk-informed, more performance-based regulation, i.e., how to focus regulatory oversight on those procedures that pose the highest risk. Additional staff efforts include addressing how best to capture not only safety-significant events, but also precursor events; evaluating the Quality Management Program provisions to focus on those requirements that are essential for patient safety; and considering the viability of using or referencing available industry guidance and standards.

Consistent with the Commission-approved approach, the staff has developed rule language alternatives for the major regulatory issues. These alternatives will be the basis for discussions during public meetings planned for the Fall of 1997 in Philadelphia, PA and Chicago, IL. The input from these public meetings and from already-scheduled meetings with professional societies will be used in developing the proposed rule language in late 1997 and early 1998. The overall schedule calls for staff to provide a proposed rule, associated documents (e.g.,the regulatory analysis, environmental impact statement, and finding of no significant environmental impact), and the Office of Management and Budget clearance package to the Commission in May 1998. At the same time, staff would also provide the Commission with draft guidance documents and its recommendations regarding the need for any changes to the 1979 Medical Policy Statement. Following Commission approval, the proposed rule and draft documents would be published for public comment. The staff would provide a final rule, associate documents, and final guidance documents for Commission approval in May 1999.

The Part 35 rulemaking is being conducted using a group approach. The Working and Steering Groups include representatives of the NRC, Organization of Agreement States, and the Conference of Radiation Control Program Directors. Within the NRC, members of the Working and Steering Groups

represent NMSS, RES, OGC, OSP, and Region I.

NMSS, OGC, OSP, RES, and the Regions are involved in this effort. The resources currently budgeted for this work are 6.0 FTE and $189K in FY1998 and 5.1 FTE and $110K in FY1999.

STRATEGY 5-- Develop a process and identify candidate issues for improving the regulatory effectiveness and efficiency of rules, standards, regulatory guidance and their application.

The objective of this activity is to assess operating experience, assess the outcome of both industry and NRC activities, to identify and prioritize a list of candidate regulatory issues warranting further review. These concerns would involve specific rules, standards, guidance, programs, or processes that may need improvement.

AEOD will focus its review on operating experience contained in existing databases, not only the AEOD databases but the databases maintained by other offices. Information analyzed for the Senior Management Meeting process and database versions of the Region Based Plant Issue Matrix will be used as well as the Accident Sequence Precursor Program and associated databases.

RES will focus its review on the results of research, plant risk analyses (IPE, IPEEE and other industry results), generic issues, and other agency program outputs to support (1) AEOD's efforts to identify areas for which assessment and improvement would be warranted and (2) develop information to assess whether agency outputs are leading to desired outcomes. These activities will be integrated with the plans being developed under DSI-12, Risk Informed, Performance-based Regulation, and DSI-13, Role of Industry.

Multi-attribute decision criteria will be proposed to rank identified issues. Potential contribution to risk mitigation will be an important criteria. Other considerations may include the extent of operating experience, how generic the issue is, uncertainties, the extent of regulatory or industry guidance and requirements, regulatory consistency and coherence, NRC and licensee costs, etc. The effort will take advantage of the agency-wide generic issues tracking system now under development.

The process will be applied to power reactors first, and, subsequently, may be applied to materials issues. The process, criteria, and outcome will be publicly available.

The tentative schedule for this effort is to have a detailed program description by November 1997, a trial program in March 1998, and have trial results by June 1998. The program should be fully operational by October 1998 and is expected to undergo continued refinement to produce an annual prioritized list of regulatory effectiveness improvement candidates in time to support the fiscal year budget and operating plan development cycle.

AEOD, OE, OI, RES, NRR, and the Agency Allegation Advisor are involved in this effort. The resources currently budgeted for this work are 2 FTE each for AEOD and RES and $200K in FY1998 and FY 1999. The involvement of the other offices will be to provide information under the scope of their current activities.

STRATEGY 6-- Increase effectiveness and efficiency of the regulatory process by expediting evaluation of industry initiatives and promoting more rapid adoption of consensus standards (DSI 13).

The Commission's final decision on DSI-13, "Role of Industry" directed the staff to implement Option 1, "Continue Current Program" (with respect to industry initiatives), and Option 4, "Increase Interaction with Industry and Professional Groups" (for the development of codes and standards) and to assure mutual compatibility and lack of duplication of activities with related DSI-11, "Operating Reactor Program Oversight," and DSI-12, "Risk-Informed Performance-Based Regulation." The staff is addressing each of these options as described below. Additionally, another activity, the development of a procedure to be used for tracking and monitoring of the timeliness and quality of voluntary industry initiatives (SRM 96-0531, WITS # 9600086) will be discussed.

Option 1 stated that the NRC would take no actions to either substantively increase the role of industry or expand the scope or pace of current NRC and industry initiatives to further rely on industry activities. New activities for which additional credit was involved or sought would be evaluated on a case-by-case basis if and when they were identified by industry or the staff. Additionally, the staff was directed to develop guidance to describe the process and the general decision criteria NRC program offices would use for evaluating proposals for industry activities that would be relied upon as a substitute for NRC regulatory action. In a separate SRM, the Commission directed the staff to develop a process for tracking and managing the implementation of industry initiatives, and for evaluating the effectiveness of those initiatives. A review is being made of past and ongoing industry initiatives to provide a basis for developing future general evaluation criteria. Meetings have been held with other federal regulatory agencies to learn about programs those agencies might have with their regulated industries to rely on industry activities as substitutes for regulatory action(s).

The staff is developing an implementation plan for Option 4 that would, for the first time, provide an NRC-wide structured process for staff participation in the development and use of consensus codes and standards. The plan addresses specific issues raised by the Commission in its final decision paper. These issues include reviewing NRC's internal process for endorsement of codes and standards; internal performance indicators to ensure timely update of regulations and regulatory guides that reference codes and standards; and ensuring implementation of Public Law 104-113, "National Technology Transfer and Advancement Act of 1995."

The implementation plan for Option 4 is structured in two phases. Phase 1 provides for preparation of a Management Directive that details policy, objectives, and procedures for staff interactions with standards development organizations and for endorsement of those organization's standards. Phase II provides for phased implementation of the documented activities, including meetings with stakeholders which are planned for early 1998. The implementation plan is due to the Commission by October 31, 1997; schedules for the implementation of specifically identified activities will be included

in the plan.

NRR, NMSS, AEOD, OGC, and RES are involved in this effort. Resources estimated and budgeted for this effort are 1 FTE for FY 1998 and 1.5 FTE for FY 1999.

STRATEGY 7-- Assess core capability needs by comparing requirements to current availability. Improve core competencies through recruitment, training, and development of staff and/or identification and acquisition of contractor services. (Includes related DSI 18 and 22 issues)

The objectives of this activity are to identify the knowledge, skills and abilities needed by the staff to support effective implementation of the NRC regulatory responsibilities and to close identified gaps in NRC core capabilities and core competencies in order to successfully perform core functions. Significant changes in agency policies, and programs in recent years as well as the Commissions direction to effectively use and enhance the NRC staff skills and knowledge as a key means of attaining the Commission's regulatory excellence goals necessitate this effort.

This activity will result in: identifying the core capabilities required to carry out the agency core functions; identifying the core competencies required to support the core capabilities; identifying the number and competency profile of positions needed to support each core capability; determining the degree to which NRC staff and/or contractor resources possess the competencies and have the capabilities needed to successfully carry out core functions; and identifying and implementing recruitment, training and development strategies to remedy skills gaps and improve staff competencies.

Activities related to core capabilities, skill assessment and identification, and elimination of skills gaps have been initiated in response to: (1) Commission guidance on DSI-22, "Research", (2) to implement supporting strategies from the NRC Strategic Plan; (3) DSI-18, Staffing and Core Capabilities, and (4) DSI-23, Enhancing Regulatory Excellence. The Commission has reviewed and provided guidance with regard to a preliminary action plan addressing these efforts (SECY-97-112). Key technical staff members have met to develop a plan to integrate these efforts in the agency's overall program planning framework.

The first phase of this activity will be to identify the core capabilities required to carry out the agency core functions in technical areas beginning with the four program offices (AEOD, NMSS, NRR and RES) and the regions. This first phase will also include development of a methodology for collection and documentation of the core capabilities information.

Core capability requirements and skill availability assessments for AEOD, NMSS, NRR and RES will be completed in FY 1998/99. The implementation of recruitment, training and development strategies to remedy skills gaps and improve staff competencies will be made as they are identified, if resources are available.

The scope of the activity is agency-wide, beginning with the identification of core technical capabilities and needs of the four program offices and the regions. In FY 1998/99, HR will expend approximately 1 FTE staff year coordinating the collection, documentation of information and acquiring a basic level of computer resources for tracking and maintaining the data. HR, with OCFO and OCIO support will expend approximately 160 K in program support dollars to procure commercial-off-the-shelf software and hardware to prototype this system. AEOD, NMSS, NRR and RES will spend approximately 0.5 FTE each gathering core capability and skills availability data.

AEOD, NMSS, NRR and RES will spend approximately 1.5 FTE per year (not specifically mentioned in the budget) for the two year period to identify the core competencies, identify the number and competency profiles for the positions needed to support each capability, and identify the gaps in NRC staff and/or contractor capabilities. This includes 0.5 FTE/year from AEOD and .025 FTE/year from NRR, NMSS, RES and Regional office representatives.

The resources needed to implement the needed recruitment, training and development strategies to remedy skills gaps and improve staff competencies will be made available as gaps are identified.

STRATEGY 8-- Evaluate headquarters and regional support to determine if it achieves its intended goals in an efficient and effective manner and make recommendations for improvement. (Includes related DSI 15 and 17 issues)

This project will assess headquarters and regional support activities to determine where improved efficiency and effectiveness can be achieved. The project will include an assessment of the current utilization of headquarters and regional support resources and the expected value to the agency from utilizing the resources. Alternatives for providing support will be evaluated. The results of the assessment will be compared with benchmarks and best practices to determine where efficiency and effectiveness can be improved by better utilization of these resources. Recommendations will be made based on the findings.

Resource estimates for this project will be provided in December.

All offices will have some involvement in this effort, with HR, ADM, CFO, and CIO playing key roles.

STRATEGY 9-- Improve the effectiveness, including integration and data sharing, of information systems supporting NRC's major business areas.

The purpose of this project is to assess how well our application systems are supporting the agency's major business areas and to develop long-range strategies for improvement. There are three elements of this project. All three contribute to the assessment of how well NRC is achieving the following information goal in the agency's performance plan:

Ensure that accurate information is available as needed to achieve the agency's strategic goals. (Goal VIII.A.2)

Two of the performance indicators for achieving this goal are:

(1) Level of satisfaction with the accuracy and availability of information in NRC's primary systems

(2) Percent of high-level data entities in the agency's primary systems that are entered once for all systems to access.

The first two elements of this assessment project are necessary to develop baseline measures of the above performance indicators. OCIO will complete a survey to set a baseline for the first performance indicator. We will acquire the services of an industry leader in IT performance measurement who will provide standard survey instruments and benchmark our user satisfaction against that of users in other government agencies and in the private sector. In FY 1998 as a prelude to using this indicator in FY 1999, we will validate the list of primary systems, decide on the population to survey (managers in business areas, users of systems), develop and pre-test the survey instrument, execute the survey to establish a baseline, and establish a target for improvement in FY 1999.

OCIO will complete a study to set a baseline for the second performance indicator on data sharing. High level data entities are the people, places, events, and things about which the NRC maintains information. There are about 100 of these (for example, licensees, employees, reportable events, reactors). In FY 1998 as a prelude to using this indicator in FY 1999, we will validate the list of primary systems, identify data entities in the primary systems, determine the criteria for systems meeting the measure (single database and controlled replication), calculate the baseline of compliant systems, and establish a target for improvement in FY 1999.

The third element of this project is to assess the cost and technical health of the application systems for each of the eleven business areas in NRC's "Enterprise Model" and develop a long-range strategy for making improvements to each of the business areas. This element of the project will be conducted over several years. A prototype study of the financial management business area was begun in FY 1997 and will be completed in early FY 1998. After review of the prototype, the approach will be applied to two other business areas in FY 1998. The remaining business areas will be evaluated in FY 1999- 2001

The Enterprise Model, developed by OCIO in coordination with the IT Council, is a primary tool supporting this project. The Enterprise Model describes the high-level functions and processes for each of eleven major business areas. The agency's application systems have been mapped to the functions in the Enterprise Model.

Elements 1 and 2 will be completed in FY 1998. The survey will be repeated annually to measure the improvement of customer satisfaction with the accuracy of information in automated systems. Element 3 will be completed over a 2-3 year period.

All (with application systems) are involved in this effort. The resources required for elements 1 and 2 are 0.5 FTE in FY1998. The survey consultant will require about $25K (not budgeted) for survey design, execution and analysis. Element 3 is estimated to require about 0.1 FTE and $50K per business area.

STRATEGY 10-- Improve the effectiveness of information systems, including the information systems supporting financial management (STARFIRE).

The goal for the development of the STARFIRE system is to accomplish more efficient and effective agency financial and resource management within the NRC at a lower cost. STARFIRE should serve as the single authoritative source for financial and resource information to support the mission of the agency, provide for adequate management reporting, support decision-making necessary to carry out program and fiduciary responsibilities, and support the preparation of auditable financial statements. This system will provide for an efficient and effective automated and integrated approach to conduct the agency's financial and resource functions including core accounting, funds control, budget formulation, cost accounting, procurement, travel, debt management/fee billing, labor cost distribution (including time and attendance management, and manpower tracking), payroll, property, and performance measurement. These functions provide the basic information and controls needed to carry out NRC's financial and resource management functions, manage the associated agency operations, and report financial status to the Office of Management and Budget (OMB), the Department of the Treasury, the Congress, and the public. The strategy is to develop this system primarily with the acquisition of commercial off-the-shelf (COTS) software.

The implementation of the STARFIRE system is the responsibility of the Office of the Chief Financial Officer (CFO) with close coordination with the Office of the Chief Information Officer (CIO) and the Office of the Executive Director for Operations (EDO). A full-time multi-office team, including representatives from NRR, NMSS, RES, CFO, ADM, CIO, and the regional offices, has been established for the requirements determination phase of the project. Contractor support is being provided by CISSCO.

An implementation schedule is being developed and will be included in the November 1997 status update. The goal is to have as much of the system as possible operational by 1999. As additional modules are purchased or developed, they will be integrated into the STARFIRE system. It is estimated that $2.5 million dollars and 6.0 FTE will be required in FY 1998 for system development, contractor support, acquisition, and hardware. The estimates for FY 1999 are being developed.

STRATEGY 11-- Improve the effectiveness of information systems, including the information systems supporting document and records management (ADAMS).

ADAMS is an enterprise system that provides cradle-to-grave document management. The system will support document creation or capture, workflow management, records management, and search and retrieval by both NRC staff and the public. ADAMS will replace the agency's Nuclear Document System (NUDOCS) -- an aging, microfiche-based, legacy document indexing system that has limited full text search capabilities, runs on a Data General

minicomputer and relies heavily on customized software. ADAMS will also replace numerous other departmental document and text management systems. ADAMS will run on the agency's local area network and, to the extent possible, will capitalize on the availability of off-the-shelf software to deliver primary system functions.

Documents would be captured upon creation and stored electronically in one central location, thus ensuring the integrity and completeness of the document collection. Everyone would work from a single electronic copy of a document, thus providing the capability for collaborative review and tracking of work-in-progress electronically. Documents would be distributed electronically, eliminating substantial paper duplication and making documents available for review or concurrence more quickly. Staff could make fast and complete full text searches and view electronic copies of the documents at their workstations.

ADAMS will be a centralized electronic document repository that will be acceptable to the National Archives and Records Administration (NARA) as NRC's official electronic record keeping system. NARA's acceptance of the system will help NRC comply with the Paperwork Reduction Act and the Electronic Freedom of Information Act. ADAMS will make documents more readily available to the public, and will reduce the time it takes for NRC staff to respond to public, licensee, and congressional requests.

The schedule to complete various tasks are: Complete design and engineering--June 1998; Complete headquarters deployment--March 1999; Complete regional deployment--June 1999;Begin receipt of external electronic submissions--June 1999; and Complete conversion of existing document index data--July 1999

The Office of the CIO is responsible for implementation of this system, with all offices involved in the effort. The resources required for this work are 4.0 FTE and $7000K in FY1998 and 4.0 FTE and $3700K in FY 1999.

STRATEGY 12-- Improve the Effectiveness of Information Systems Supporting the Reactor Inspection and Licensing Programs (Reactor Program System - RPS).

The Reactor Program System (RPS) is being developed to fulfill program requirements that have evolved over the past several years. The initial problems to be fixed were highlighted in 1995 with both the staff's and GAO's findings relative to the lack of diagnostic capability displayed by the NRC relative to information contained in inspection program documents, primarily inspection reports.

RPS is expected to satisfy increasing and critical requirements for improved information management and analytical capabilities associated with reactor oversight. NRC needs a system that collects information once, at the source, and integrates information for both inspections and licensing in one location which can be correlated and analyzed against facility characteristics. RPS will provide this capability along with an integrated methodology for planning, scheduling, conducting, reporting, and analyzing inspection, licensing and regulatory activities. The system will also provide an analytical capability that will permit the linking, trending and analysis of plant performance information on an ongoing basis, so that plant performance characteristics can be better monitored and cause-effect relationships can be identified in advance. This will include automating relationships and searches so that inspection findings, event follow-up, and cause codes can be correlated with facility characteristics and other program information to effectively compare plant performance with the norm, and to better identify early causes for concern.

The information includes inspection, licensing, plant performance assessment, events and emergency issues tracking, safety issues management, allegations management and other regulatory issues. RPS will provide information that is consistent, reliable, and readily accessible to approximately 1,300 staff in NRC headquarters and regional offices. When completed, RPS will replace 10 legacy systems and will provide a seamless interface with five other systems. RPS is designed to fit within the agency's current client/server and local area network infrastructure and be accessible via agency workstations using commercial-off-the-shelf software.

NRC conducted a Capital Planning and Investment Control (CPIC) cost-benefit analysis for this project, identifying the project objective, assumptions, four alternatives, cost comparison, benefit comparison, risk comparison, sensitivity analysis, and sponsor recommendation.

The Office of NRR is responsible for implementation of this system. OCIO, NMSS, and the Regions are involved in the effort. The resources currently budgeted for this work are 3.5 FTE and $700K in FY1998 and 3.5 FTE and $400K in FY1999.

STRATEGY 13--Assess the NRC organizational culture and make recommendations for improvement. (Includes related DSI 15 and 17 issues)

This activity will assess (1) workforce understanding of agency goals, objectives and performance expectations; and, (2) workforce views of factors that enhance/impede achieving the goals and objectives, Factors such as management communication, employee empowerment, individual accountability, acceptance of differing views, support of agency values and goals, management commitment to these values and goals, and communication between management and the workforce significantly affect the performance and productivity of the NRC workforce. Evaluation activities will include stakeholder focus group sessions and development and administration of a survey to capture staff views, baseline the issues, and identify areas that need emphasis or improvement. The activities will be coordinated with the OIG safety culture survey and with the Agency Labor Management Partnership Committee. Related DSI 15 and 17 issues will also be considered. Improvement initiatives will be developed based on findings.

The objective of this new initiative is to improve organizational effectiveness and efficiency through better communication of goals, objectives and performance expectations, and improved resolution of program implementation and/or performance problems.

The Offices involved in this effort will be determined later based on improvement areas identified. The resources estimated for this work, and not yet budgeted, are 1.5 FTE for focus groups, survey and assessment support, and $150K for survey software and contractor support.

Ongoing Efforts to Support the NRC Excellence Plan

Integration with Agency Planning and Performance Measurement Process

A significant aspect of the effort to enhance NRC excellence will be to set measurable goals, establish sound strategies, ensure that the day-to-day work of the Agency is consistent with the goals and strategies in the Strategic Plan, and ensure that programs and activities are achieving desired outcomes at the least cost. Maintaining a clearer understanding, on all organizational levels, of how individual and group contributions fit into the goals of the Agency will help focus the conduct of our activities, leading to better effectiveness and efficiency.

An initiative is currently underway to develop and implement a new NRC-wide planning and performance measurement process. The four principal elements of this process will focus on setting the Agency's strategic direction, determining resources and planned accomplishments, measuring and monitoring performance, and assessing performance. The program assessments/evaluations that will be conducted under the NRC Excellence Plan are essential ingredients in the assessing performance element of this new process. Other key features of this initiative will be the development of operating plans, periodic program reviews, and self-assessments.

The scope of this effort is intended to be broad, applying to all NRC technical and support programs listed in Appendix D. Operating plans will be developed by each office, containing a level of detail below the Performance Plan. Program reviews will be a structured presentation by the various offices to the PRC, focusing on actual and planned accomplishments and how they relate to the Agency's Strategic and Performance Plans. This will provide an opportunity for key decision makers to review the results of program performance and assessments in order to make appropriate adjustments in the direction of these efforts. A comprehensive, systematic program of self-assessments will be conducted within the scope of the planning framework. A generic program evaluation checklist will be available to promote consistency and a comprehensive evaluation. The CFO will play a key role in the development of this agency-wide guidance.

Before the beginning of the fiscal year each office will submit plans for assessments and indicate whether they intend for the self-assessments to be done internally to their organization or with help of other organizations. The PRC will review these plans and will make recommendations on the scope of these activities and which will involve broader participation. It is expected that most of the assessments done will be self-assessments. However, the PRC may recommend broader participation from other offices with the appropriate expertise in instances where a program may involve more than one office or for major efforts where a degree of independence may be warranted. The PRC will also take into consideration plans that the DEDE staff offices or the CFO may have to undertake independent assessments in selected areas. The PRC will forward their recommendations to the EC for approval.

Recommendations for improvements developed as a result of these assessments will be treated as described below under Process Improvement Initiatives.

Process Improvement Initiatives

Improvement of NRC work processes has traditionally been an ongoing activity. This portion of the program will add structure and uniformity to ongoing improvement initiatives as well as make new efforts more open to input and participation from the staff.

Candidate issues for improvement will be developed from self-assessments and program reviews and from a variety of other sources including the labor/management partnership, any NRC staff member, the Commission, OIG, GAO (or other outside entities), meetings with the public and industry, and the results of surveys of staff. The DEDE staff will play a lead role in compiling, reviewing, and synthesizing these candidate issues for improvement and will present them to the PRC for review. Using this list as a starting point, the PRC will develop recommendations to the EC as to the scope of the issues to be addressed and which issues warrant oversight at the PRC/EC level. These items will be described in detail in the NRC Excellence Plan, which will be updated on an annual basis.

The lead responsibility for addressing the candidate issues will reside with the NRC office responsible for the affected program. The DEDE staff, or staff from other offices, may participate as part of the team addressing the issue or provide assistance in the methodology used to develop recommendations. The prioritization and extent of response to these candidate issues will be based on considering the impact on safety, the potential for improving the ability of the Agency to meet its goals, resource impact to the NRC and licensees, impact on quality of Agency work, staff morale, and public confidence in NRC activities. The results of the EC determination on the selection and prioritization of these issues will be made available to the staff and public.

Other self-improvement efforts will either be incorporated in operating plans and considered by the PRC and EC during Agency planning process or, because of narrow impact or small resource implications, be implemented without further PRC/EC involvement.

An improvement team will be identified in instances where a candidate issue for improvement has significant implications across organizational boundaries. The improvement team will include representatives from affected offices, usually both management and non-management. The makeup of these teams and whether they function on a full-time or part-time basis will depend on the complexity, scope, and importance of the issue under consideration. The improvement team will develop recommendations and a plan of action for improvements based on addressing the performance gap, the difference between the "as-is" condition and the desired state.

Organizational Culture Improvement Initiatives

It is recognized in the Strategic Plan that we will make improvements in a continuous, systematic, and open manner with the support and input of our

internal and external stakeholders. Stakeholder, in this context, is meant to include anyone that will be affected by the improvements intended to be accomplished by this program. This includes the staff, the public, and the regulated industry. Each strategy that is part of the NRC Excellence Plan must give consideration to stakeholder involvement, but, in order to be most effective, there must also be an ongoing process for soliciting the views and input of this resource. Workshops, open to the public and industry, are anticipated to solicit their views. Addressing the grassroots involvement of the staff will require more extensive activity.

A significant theme developed from the excellence workshops was the realization that certain issues warranting improvement may affect many programs and be significant obstacles to enhancing effectiveness and efficiency. Many of these issues were discussed at the excellence workshops, such as: staff empowerment, poor communications between management and staff, organizational inconsistency and parochialism, and acceptance of differing views. There was a consensus among workshop participants that it would be appropriate to conduct periodically a cultural survey of NRC employees and managers in order to identify areas for improvement and to initiate a baseline for comparison measurement. It will be necessary to achieve a broad understanding of the views of the staff and address these issues through avenues such as better communications or policy and program changes. Identifying and addressing these issues will require mechanisms to tap grass roots participation as well as interaction with the ALMPC. Furthermore, some of these issues may have a nexus to either DSI-15, Management Philosophy; DSI-17, Management and Organization; or both.

Excellence Program Coordination and Support

The responsibility for the overall coordination, support, and promotion of the NRC Excellence Plan will reside with the DEDE. Specific activities in this regard will include developing, collecting, and synthesizing candidate issues for assessment or improvement, conducting workshops with the public and industry for the purpose of describing ongoing efforts and soliciting candidate issues for improvement, promoting employee awareness of the program and results, conducting independent assessments on a limited basis, and providing a resource to assist improvement teams in selecting and implementing methods for developing recommendations for improvement.

The development, collection, and synthesis of candidate issues for improvement will be conducted both within the DEDE direct staff as well as the DEDE staff offices of AEOD, RES, OI, and OE. A significant element of the contribution of these offices will be to assist in measuring whether Agency outputs are having the desired effect on outcomes. This is consistent with the intention of the strategic and performance plans, as established by the Government Performance and Results Act of 1993, to establish a results oriented, outcome based, approach to the management of Agency activities. An appropriate relationship of outputs to outcomes is essential to achieving effectiveness. Although the measurement of effectiveness in terms of outcomes is preferable, measurement systems should not preclude the use of output measures, particularly if it can be shown that the output will contribute to the desired outcome. Additionally, as described in DSI 23, the term "regulatory effectiveness" denotes a regulatory framework that is clear, coherent, logical, consistent, reliable, and technically sound. These attributes can also be used to assess effectiveness.

The DEDE offices will also play an important role in identifying candidate issues to enhance effectiveness and efficiency and assisting the program offices in evaluating the results of implementing improvement initiatives. These efforts will focus primarily on improving the effectiveness and cost-beneficial aspects of rules, standards, and regulatory guidance and contributing to the NRC's strategic goals. It is also anticipated that the DEDE will also have a small staff of approximately 2 FTE that will coordinate the overall excellence program activity, collect and synthesize candidate improvement issues, conduct workshops open to the public and industry, promote employee awareness of the program and results, participate in assessment activities, and provide a resource to assist improvement teams in selecting and implementing methods of developing improvements.

In identifying candidate issues to enhance effectiveness, AEOD will focus on analysis of information in databases in their control and with other offices. This would include insights obtained from programs such as the Accident Sequence Precursor program and associated databases.

RES will focus its review on the results of research, plant risk analyses (including IPE and IPEEE results and other industry efforts), generic issues, and other agency program outputs to support (1) AEOD's efforts to identify areas for which assessment and improvement would be warranted and (2) develop information to assess whether agency outputs are leading to desired outcomes. These activities will be integrated with the plans being developed under DSI-12, Risk Informed, Performance-based Regulation, and DSI-13, Role of Industry. Issues will be prioritized with consideration given to cost-benefit analysis and other regulatory effectiveness attributes and considered as potential candidate issues for improvement.

OI will also expand the focus of its investigation activities to identify issues that may be beyond the scope of specific investigations. This will be done in conjunction with normal investigative activities. This initiative would use the information gathering expertise of investigators to identify potential safety issues as well as issues pertaining to management oversight, training, organizational culture/climate, and potential areas for improving or clarifying NRC requirements. These issues will be coordinated with the technical staff on a timely basis and be provided as candidate issues for effectiveness enhancement.

The Office of Enforcement will work closely with AEOD to ensure that enforcement data is available and considered in its review of operating experience. OE will also focus on ensuring the consistency of both escalated and non-escalated enforcement actions, improving the assessment of both licensee and NRC performance, and identifying weaknesses in NRC requirements through the analysis of enforcement results.

Appendix C

Near Term Staff Actions to Develop the NRC Excellence Plan

The following activities will occur in CY 1997 to develop the concepts in this paper and the detailed plans to be provided to the Commission in December 1997.

1. Obtain a contractor experienced in program assessments/evaluations to help establish standards for conducting assessments and guide NRC staff in conducting initial assessments.

2. Conduct workshops on the development of the FY 1998 NRC Excellence Plan strategies:

   - expectations of plans to implement the NRC Excellence Plan strategies
   - concepts and expectations for self-assessments
   - stakeholder and grass roots involvement in carrying out the NRC Excellence Plan strategies

3. Develop detailed plans with schedules, milestones, resources, and criteria for measuring success to implement the NRC Excellence Plan strategies.

4. Develop guidelines, including a checklist, relating to the principles used to develop the excellence enhancement program that can be used generically to assess NRC programs.

5. Develop detailed guidance describing the conduct of the excellence program, including:
   - the systematic, comprehensive nature of the plan
   - involvement of the Program Review Committee and the Executive Council
   - integration with the NRC Planning and Performance Measurement Process
   - criteria to be used for identifying candidate assessment and improvement activities warranting PRC/EC oversight
   - the activities of the teams assigned to develop improvements of an issue or process warranting PRC/EC oversight
   - the collection of candidate issues for improvement and involvement of internal and external stakeholders
   - the process to be used by the DEDE offices for selecting candidate issues for effectiveness review

6. Establish an excellence support staff of approximately 2 FTE, reporting to the DEDE, that will perform the following functions:
   - collect, screen, and synthesize candidate issues for potential process improvement
   - maintain cognizance over NRC assessment and improvement activities
   - provide training in the use of the generic assessment checklist and participate in selected assessments.
   - provide assistance on the use of various improvement methodologies in an advisory or participatory capacity
   - ensure an adequate level of employee awareness of the excellence enhancement program and its results

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1. Factors considered to guide this recommendation included whether the improvement or assessment was (1) already planned or underway, (2) mandated by the Commission or a DSI, (3) of interest to EC and warranting a relatively high level of oversight, (4) already budgeted, (5) had the potential to be achieved by July 1, 1999, (6) likely to result in sufficient resource savings to warrant undertaking, and (7) focused on regulatory programs.

2. In the SRM dated March 27, 1997, Enhancing Regulatory Excellence, the Commission specified a goal that the staff might consider regarding the timing for the completion of rulemaking. Increasing the efficiency of the rulemaking process was not selected as a strategy of the FY 1998 NRC Excellence Plan because of the initiative under DSI-22 to transfer the responsibility for rulemaking out of the Office of Nuclear Regulatory Research. Recent improvements to the rulemaking process described in Management Directive 6.3 have recently been completed with the goal of reducing the average time to issue a rule from 22 to 18 months. That objective appears to have been exceeded. The staff believes that it would be more efficient to complete the process of transferring the rulemaking responsibility before undertaking additional changes in this process.

3. Involvement of internal and external stakeholders will also be factored into the other strategies on an individual basis. Workshops with industry are also anticipated to solicit candidate issues for improvement.