

1 UNITED STATES OF AMERICA  
 2 NUCLEAR REGULATORY COMMISSION  
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 4 OFFICE OF THE SECRETARY  
 5 \*\*\*  
 6 ALL EMPLOYEES MEETING B  
 7 \*\*\*  
 8 PUBLIC MEETING

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 10 Nuclear Regulatory Commission  
 11 Front Lawn  
 12 One White Flint North  
 13 11555 Rockville Pike  
 14 Rockville, Maryland  
 15 Tuesday, June 15, 1999

16  
 17 The Commission met in open session, pursuant to  
 18 notice, at 1:46 p.m., the Honorable SHIRLEY A. JACKSON,  
 19 Chairman of the Commission, presiding.

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 21 COMMISSIONERS PRESENT:

- 22 SHIRLEY A. JACKSON, Chairman of the Commission  
 23 EDWARD McGAFFIGAN, JR., Member of the Commission  
 24 GRETA J. DICUS, Member of the Commission  
 25 JEFFREY S. MERRIFIELD, Member of the Commission

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1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

- 2 PATRICIA G. NORRY, Deputy Executive for Operations  
 3 SALLY ADAMS, ADM/DCPM/CMBI  
 4 STEPHEN M. POOL, ADM/DCPM, CMBI  
 5 BARRY T. MENDELSON, NRR/DPRM/PGEB  
 6 DAVID J. COLLINS, RGN-II/DRMA/IRB  
 7 KENNETH C. HECK, NRR/DRCH/HOMB  
 8 DONALD K. HALL, ADM/DAS/ASC  
 9 ANTHONY J. GALANTE, CIO  
 10 JAMES C. STEWART, NRR/DRCH/HICB  
 11 AMY J. SILLER, ADM/DCPM. CMBI  
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1 P R O C E E D I N G S

2 [1:46 p.m.]

3 MS. NORRY: Good afternoon. Welcome to the  
 4 afternoon session of the Annual All Hands Meeting. After  
 5 the Chairman and Commissioners have made their remarks,  
 6 there will be opportunity for questions and what we have  
 7 done is given out some 3 x 5 cards or maybe they are 5 x 7  
 8 cards, and if you don't have one and would like one, feel

9 free to get one from one of the ushers. If you want to  
10 submit a question anonymously, you can pass it to one of the  
11 ushers and it will be read, but we also encourage you to get  
12 up and ask your question before the microphone, if you would  
13 like to do that.

14 I would like to acknowledge the presence of NTEU  
15 officials sitting over here to my left and we have the EDO,  
16 the CFO and the CIO with us this afternoon, and with that I  
17 would like to introduce Chairman Jackson.

18 CHAIRMAN JACKSON: Thank you very much, Mrs.  
19 Norry. Good afternoon, everyone.

20 AUDIENCE CHORUS: Good afternoon.

21 CHAIRMAN JACKSON: With me today are NRC  
22 Commissioners Greta Joy Dicus, Edward McGaffigan, and  
23 Commissioner Jeffrey Merrifield. Commissioner Nils Diaz was  
24 hoping to be here but unfortunately is unable to attend  
25 because of illness.

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1 On behalf of the Commission I would like to  
2 welcome all of you to this special meeting of the Commission  
3 with the NRC Staff and I extend that welcome both to those  
4 of you assembled here in the tent this afternoon and also to  
5 groups of employees connected to us by video conference and  
6 telephone from the regions.

7 These All Employees meetings are an annual  
8 tradition here now at the NRC as a forum to stimulate and to  
9 facilitate direct communication between the Commission and  
10 individual members of the Staff on mission-related policies  
11 and initiatives to clarify the Commission's agenda, to  
12 engender a shared vision, and to motivate the NRC Staff in  
13 pursuit of that vision.

14 In addition, this year has a special significance  
15 to me for two reasons -- one, the obvious, because this will  
16 be the last meeting most likely that I will attend of NRC  
17 All Employees, and secondly, because the past year has been  
18 one of the most challenging and yet one of the most  
19 rewarding and successful years in NRC history.

20 The challenges have come from many sides, but the  
21 success I credit in large measure, in essentially all  
22 measure, to the hard work that all of you have contributed  
23 as well as to the considerable and primarily constructive  
24 input we have received from a wide variety of NRC  
25 stakeholders. At this time last year the future held some

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1 uncertainty, to say the least, and to some of you it may  
2 have looked downright bleak.

3 I believe though that it is to your credit as  
4 members of the NRC Staff and NRC management as well as to  
5 the credit of a very hard-working Commission that today we  
6 are an agency once again firmly in control of our own future  
7 and clear and I hope confident about the course that lies  
8 ahead.

9 As some of you may be aware, the Senate  
10 Appropriations Committee recently approved the NRC full  
11 budget proposal at a time when other agencies are finding  
12 their budgets slashed significantly by that same committee.  
13 While we have yet to hear from the House side, the Congress  
14 clearly is sending a positive signal about our achievements  
15 in the regulatory arena and about the results of our  
16 planning, budgeting and performance management efforts at  
17 the NRC, and I did have occasion to meet very recently,  
18 within the last month, with the Chair of our House

19 Appropriations subcommittee, and that was a very, very  
20 positive meeting, so I begin this All Employees Meeting by  
21 saying to all of you, congratulations on a job well done and  
22 thank you.

23 Now when we were facing budget stringencies and  
24 criticisms last year, a member of my staff gave me a picture  
25 of a sharply meandering road with a caption at the bottom

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1 which read, "A bend in the road is not the end of the road  
2 unless you fail to make the turn." And we have begun to  
3 make the turn and much remains to be done, but we are  
4 turning, and so the natural question is how did we get here?

5 I would like to spend then a few minutes  
6 reflecting on the accomplishments of the past year, not only  
7 the individual milestones but also the underlying framework  
8 and concepts we have put into place over the past few years  
9 which have understood and implemented consistently will  
10 ensure stability and continued progress as we go forward.

11 At the highest conceptual level are  
12 accomplishments of vision and these are the ideals of  
13 regulatory excellence that should be present consistently at  
14 all levels of our organization as well as in all of our  
15 policies, rules, processes and individual interactions with  
16 our stakeholders. Indeed, as some of you may recall,  
17 regulatory excellence was a key direction-setting issue --  
18 remember the famous DSIs? -- of strategic assessment and  
19 rebaselining.

20 Initially we struggled with this concept, but what  
21 we have accomplished under this overarching umbrella has  
22 given definition to what regulatory excellence really means.

23 The first of these represents the most important  
24 achievement of all, which is not a change. I refer to our  
25 continued unambiguous focus on safety as the highest NRC

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1 priority. Last year at this meeting I challenged you to  
2 hold the center in the face of multiple external pressures  
3 to ensure that we remember our fundamental regulatory health  
4 and safety mission, and I believe that despite sweeping  
5 changes to our regulatory processes and significant strides  
6 in improving our efficiency, we have maintained this  
7 emphasis. We have in fact held the center.

8 The second achievement of vision is a new standard  
9 of regulatory effectiveness, another part in fact of the  
10 aforementioned DSI at the NRC. We have become far more  
11 introspective and self-critical in examining our own  
12 regulations and programs -- words like "objectivity,"  
13 "defensibility," "scrutability," and "timeliness" have  
14 become familiar elements under which we judge the efficacy  
15 of both existing programs as well as new innovations.

16 Tied directly to NRC regulatory effectiveness is  
17 an unapologetic emphasis we have on performance, what we  
18 sometimes refer to as an outcomes orientation as opposed to  
19 an outputs orientation. We have learned to demand a bottom  
20 line focus on results, both from ourselves and from those we  
21 regulate. This has increased of course our focus on  
22 developing and implementing measures of success or metrics.

23 The final achievement of vision is our success at  
24 anticipating and positioning ourselves for change. This  
25 element of vision is best characterized by examples which

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1 range from license renewal to our efforts to prepare for  
2 electric utility industry restructuring.

3 The successful anticipation of change is ensured  
4 of course by a healthy and dynamic planning framework --  
5 more about this later.

6 The elements of vision that I have outlined in  
7 essence have maintained our sense of the big picture and  
8 they have led to the successful establishment of several  
9 elements of a fundamental NRC framework, namely overarching  
10 methodologies that guide our approach to a wide range of  
11 agency programs and processes.

12 The first and perhaps the most obvious of these is  
13 the transition to risk-informed, performance-based  
14 regulation. The prioritization of NRC regulatory  
15 interactions in a manner where the use of risk insights and  
16 assessments is more explicit has become a fundamental  
17 characteristic of our approach to new rules, rule changes,  
18 program and process changes and even our budgeting and  
19 resource loading.

20 This concept combined with our increased focus on  
21 defining measurable outcomes and demanding performance is  
22 becoming a familiar way of thinking at all levels of the NRC  
23 and within the regulated community, which may be the  
24 clearest indication of our success in this area.

25 Another indication of our progress here is that we

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1 are considering ways to risk-inform the entire body of  
2 reactor regulations in Part 50 as well as other requirements  
3 in Parts 63, 70, and 35.

4 A second framework achievement is our purposefully  
5 increased involvement of stakeholders in the regulatory  
6 process. Clear communication and enhancement of public  
7 confidence are parts of this framework.

8 It also includes our stakeholder meetings, NRC  
9 public workshops, and our general efforts to be more open to  
10 constructive criticism from the Congress, from our  
11 licensees, from public interest groups, from general members  
12 of the public, and from within our own organization. As  
13 with risk-informed regulation, I believe this acceptance of  
14 and appreciation for stakeholder input is becoming a way of  
15 thinking at the NRC. As we go forward in this area though,  
16 we must continue to ensure that our efforts provide equal  
17 access to all stakeholders rather than privileged access to  
18 a select group.

19 The final fundamental framework achievement is in  
20 a way our insurance policy, which is the basis for our  
21 confidence that success will continue, and I am speaking of  
22 our overhauled approach to planning, and once again, this  
23 element of the framework dovetails with the vision I laid  
24 out earlier, increasing our effectiveness and allowing us to  
25 anticipate and position for rapidly emergent change.

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1 Like the other elements of our framework, our  
2 planning process has been built slowly and steadily over  
3 time, and has taken the involvement of each of you from  
4 strategic assessment and rebaselining, which we began in  
5 1995, to the multiyear strategic plan, the yearly  
6 performance plan, and the office level operating plans, and  
7 we have finally come to our present PBPM or Planning,  
8 Budgeting, and Performance Management process.

9 The successful adoption of this process comprises  
10 a fundamental change to the way we do business, which is

11 vital to ensuring our future success, but in the end, having  
12 laid all of that out, the real future and insurance policy  
13 is you.

14 Now within the context of vision and framework,  
15 let me have you consider the real scope of programmatic  
16 issues and regulatory processes that we have revised and/or  
17 revitalized. It is an exhausting list.

18 And if you want an inch thick stack, I can send it  
19 around to you, but Tony will provide it on the net.

20 At the top of the list is the implementation of a  
21 newly developed reactor oversight starting with the pilot  
22 program that we are just beginning. Now, consider how this  
23 process is tied to the framework and elements of vision  
24 already discussed. The elements of the new process clearly  
25 are tied to cornerstones of safety. It is performance-based

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1 through the use of performance indicators, and it is  
2 risk-informed through the implementation of a risk-informed  
3 baseline inspection program, as well as in the  
4 categorization and validation of performance indicator  
5 results.

6 In enforcement, our risk-informed programmatic  
7 review has led to a reduction of unnecessary licensee burden  
8 associated with the less important Severity Level 4  
9 violations and a new direction for the enforcement program  
10 which may assume a complimentary role, as opposed to a  
11 completely separate role in the reactor assessment process.

12 In our emphasis on understanding and maintaining  
13 the design basis for power reactors and other nuclear  
14 facilities, we are nearing the completion of a revision to  
15 10 CFR 50.59, the bread and butter rule, an effort that has  
16 been accompanied by a wide range of improvements to NRC  
17 methods for dealing with facility design changes, temporary  
18 modifications and degraded equipment, including  
19 modifications to Generic Letter 91-18 and a refocus on and a  
20 modification to our implementation of 10 CFR 50.71(e).

21 Now, we have established also a power reactor  
22 license renewal process that is fair, focused, expedited and  
23 predictable, focused on safety and predictable, and it is  
24 built around about five key elements. First, a Commission  
25 policy statement, about its expectations for license

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1 renewal. Secondly, case-specific orders on the conduct of  
2 adjudicatory proceedings. Third, Standard Review Plans for  
3 10 CFR Parts 54 and 51. Fourth, management oversight  
4 through a management steering committee, and through the  
5 Executive Council. And, fifth, dedicated staff work led by  
6 Chris Grimes.

7 As a consequence of our success in this area, in  
8 fact, we are anticipating an increase in the number of  
9 license renewal applications above our original  
10 expectations.

11 We have anticipated and dealt with a range of  
12 issues related to economic deregulation, including  
13 decommissioning funding assurance, grid reliability, cost  
14 competitiveness issues, and changes in nuclear power  
15 industry business relationships, such as new ownership  
16 arrangements and configurations, increases in license  
17 transfers and possible increases in decommissionings. We  
18 have modified our decommissioning funding rule and we will  
19 continue to make improvements in it as we implement it.

20 We have a new rule, Subpart M, governing  
21 adjudicatory proceedings for license transfers, and we have  
22 participated on an inter-agency task force with the DOE and  
23 FERC on grid reliability issues and on and on, and on and on  
24 in this whole electric utility industry restructuring set of  
25 issues.

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1 We have made comparable improvements in revisions  
2 in our regulation on the uses of nuclear materials and  
3 management of radioactive waste. For example, we used risk  
4 insights and information, risk information, to develop a  
5 reasonable and widely accepted rule on radiological criteria  
6 for license termination. And Commissioner McGaffigan will  
7 tell you that we have done it all according to precisely the  
8 right and a very wide open process.

9 This progress is continuing today in our  
10 development of implementing guidance for the license  
11 termination rule, as well as in rulemakings we have underway  
12 on medical uses of nuclear materials, Part 35; high level  
13 waste disposal at Yucca Mountain, Part 63; and nuclear fuel  
14 cycle facilities, Part 70.

15 We have applied business principles in  
16 streamlining our licensing reviews for radioactive materials  
17 and spent fuel storage, including materials business process  
18 reengineering and guidance consolidation.

19 We have demonstrated innovation and flexibility  
20 with paramount attention to safety in effectively overseeing  
21 the privatization of the U.S. Enrichment Corporation. We  
22 even developed a Standard Review Plan to lay out ourselves,  
23 and for the financial community, our requirements as an  
24 initial public offering was conducting. And we have  
25 effectively conducted the pilot projects on external

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1 regulation of U.S. Department of Energy facilities and  
2 activities, where the staff's paper, with Commission  
3 approval and guidance, is in fact about to go to the  
4 Congress.

5 In the international arena, we achieved a major  
6 milestone when the U.S. Senate ratified the Convention on  
7 Nuclear Safety. This is something we had been working on  
8 for a number of years and represents the completion of a  
9 long-term inter-agency effort in which NRC representatives  
10 have played a significant part. I also personally am also  
11 proud of the establishment and functioning of the  
12 International Nuclear Regulators Association.

13 We achieved recognition earlier this year by  
14 achieving our Year 2000 readiness goals well ahead of  
15 schedule. We also have contingency plans developed for  
16 unforeseen difficulties both here at the NRC and with regard  
17 to our licensees.

18 Our improvements in the procurement area resulted  
19 in two Hammer Awards from the Vice President.

20 We also have developed and are implementing ADAMS,  
21 and though it has had some difficulties, we are developing a  
22 new resource management system which is STARFIRE.

23 I would like to reemphasize, in trying to close,  
24 the significance of all that we have accomplished. I  
25 believe that all of you have been aware of and touched by

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1 the rapid pace of change across a wide spectrum of NRC  
2 functions. What you may be less aware of, depending upon

3 your position and area of specialty, is how positively  
4 impressed our stakeholders have been, both with the rapidity  
5 of the change and the consistent good judgment that has  
6 characterized our decisions.

7 And let me just give you three or four quick  
8 examples. One of our strongest critics, who represents one  
9 of the public interest groups, a nuclear watchdog group, has  
10 been quite complimentary of our new reactor oversight  
11 process, and that is coming even as we are getting kudos  
12 from the nuclear industry.

13 I had occasion to speak recently with Senator  
14 Domenici and he has been well pleased with the progress that  
15 we are making, wants us to continue on that slope. I also  
16 just mentioned that I met with the Chair of our House  
17 Appropriations Subcommittee and got very positive messages  
18 from him.

19 And so for an agency of this size, with our span  
20 of oversight and the complexity of our functions, to have  
21 made this much progress on this many fronts in the amount of  
22 time that we have, and a lot of the focus has been the last  
23 year, but in point of fact, you know, we have been working  
24 this for a couple of years, and to have made that progress  
25 even over that period of time is truly remarkable, because

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1 we know changes are not wrought overnight. The achievement  
2 of vision and the fundamental framework that I have outlined  
3 were developed over several years, and it was because of the  
4 groundwork that was laid in these changes, and the changes  
5 to most NRC processes and programs over the past few years  
6 that were we able to make so much progress in the last year.

7 And an example that you might not expect me to use  
8 is the one having to do with business process reengineering  
9 in the materials area, and the work that that has led to in  
10 terms of developing consolidated guidance and in making sure  
11 that we develop clear review plans for any new activity  
12 which positioned us instantaneously to develop the Standard  
13 Review Plan for USEC privatization. In fact, we had it  
14 ready so early that we ended up having to wait for six  
15 months to get the input from the Executive Branch in terms  
16 of any issues that related to national security and the  
17 like. But we were ahead of the curve, and that is the  
18 point. And we were ahead of the curve because of the kinds  
19 of activities that went on well ahead of time.

20 But the short-term and longer-term achievements  
21 clearly then are the result of hard work, innovative  
22 thinking and a commitment to excellence on the part of the  
23 Commission, the NRC staff and NRC management. Whether  
24 viewed individually or collectively, these achievements give  
25 us all a glimpse of what we can accomplish together, even as

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1 they set the stage for continued enhancements in our  
2 regulation of nuclear safety and safeguards.

3 This is but a thumbnail sketch, as I have said, of  
4 all that we have done. We have come a long way since  
5 Millstone, which became a major issue shortly after I  
6 arrived. All of what has been done since then bears out  
7 what I always have believed about the NRC, that the quality  
8 and the dedication of its people are unsurpassed by any  
9 organization either inside of or outside of the government,  
10 anywhere. I have had the benefit of having major career  
11 positions in industry, in academia and in government. And I

12 have never found a finer group of people anywhere.  
13 So I thank you all for your support and  
14 responsiveness to the Commission. Now, I would like to make  
15 a few final points before I sign off and allow my colleagues  
16 an opportunity to make a few remarks before we address your  
17 questions.

18 One regards the Commission expectations on issues  
19 that have come up recently and, hopefully, to clarify or  
20 clear up any ambiguity that may exist. I have been told  
21 that there has been some question on NRC staff papers. When  
22 papers are submitted to the Commission on technical and  
23 policy issues, the correct staff approach is not to divine  
24 what you think the Commission wants to hear and tailor it.  
25 Now, the Commission will give clear guidance when it wants

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1 to do that, but we do encourage you and expect you to  
2 provide us with your best professional judgment based on  
3 your technical expertise and your best policy insight. We  
4 need you and we need that input from you even as we provide  
5 guidance to you.

6 Similarly, in your interactions with stakeholder  
7 on technical and policy issues, we do not expect that you  
8 approach those interactions in a vacuum, as a blank tablet.  
9 We expect you to, of course, have your homework ahead of  
10 time to even formulate strawmen or clear positions and  
11 strategies relative to the topic at hand, what you think is  
12 fundamental for us as regulators, because that lends focus  
13 and coherence to those stakeholder interactions.

14 And that is not to say that you go in with a  
15 closed mind, but that you begin with a fundamental set of  
16 premises that relate to what you believe is important to our  
17 public health and safety mission. And so as we urge you to  
18 interact with stakeholders, we are not urging you to do that  
19 and take away what you believe is fundamental from the point  
20 of view of what you know to be important to public health  
21 and safety, and I don't think that that is a message the  
22 Commission wants to send.

23 And let me close by answering upfront what I know  
24 to be the pregnant question of the day. Two-and-a-half  
25 weeks from now I am leaving, as you know, to become

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1 President of Rensselaer Polytechnic Institute, so the  
2 question that has arisen is -- well, who is going to be the  
3 next Chairman? And the answer is this, I have been in touch  
4 with the White House, they are in fact still working on  
5 developing a nomination for my seat and that person would be  
6 the next Chairman of the NRC. But then that means -- but  
7 that nomination has not been made, but I am in fact  
8 authorized to tell you that they will be naming an interim  
9 Chairman and that interim Chairman is Commissioner Greta  
10 Dicus. And so I both offer her my congratulations and my  
11 condolences.

12 [Applause.]

13 CHAIRMAN JACKSON: So, in fact, I think it is only  
14 appropriate for us to begin and see if Commissioner Dicus  
15 has any comments she wishes to make.

16 COMMISSIONER DICUS: Just a few. Just a few  
17 comments that I want to make. And mine, I don't have a  
18 prepared talk, mine are simply off the cuff, as I think  
19 Commissioner McGaffigan's, Commissioner Merrifield's will be  
20 as well. But I want to follow up on a couple of things that  
21 Chairman Jackson said regarding the staff, regarding the

22 work that has been accomplished here. It has clearly been a  
23 very busy year. When you go through change, there are a lot  
24 of uncertainties. The staff has simply done a fantastic job  
25 of dealing with these things and coming to a path forward to

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1 put the NRC in the position that we are in today, and which  
2 is so much better than it has been in the past.

3 And, clearly, we are going to go forward in the  
4 next year. There will continue to be change. We have a  
5 course that has been charted under Chairman Jackson's  
6 excellent leadership to take us into the future, into the  
7 next millennium, to be where we need to be to ensure the  
8 public health and safety and protection of the environment  
9 that we are to do.

10 But it doesn't surprise me that we have done a  
11 good job in the past year and that we will continue to do a  
12 good job because of the excellent staff that is here at the  
13 NRC. You are a fantastic bunch of professionals. I have  
14 had the opportunity in the work that I have done in the  
15 past, particularly being head of a state Radiation Control  
16 Program, to deal with a number of federal agencies, a number  
17 of organizations for a very long period of time. And, of  
18 course, obviously, one of those was the NRC, and I have  
19 dealt with the NRC quite a bit, and of all the ones, the  
20 organizations that I dealt with, all the agencies that I  
21 dealt with, the NRC was by fire the best, had the best  
22 people to work with, had the most professional staff and  
23 really were the easiest ones to work with.

24 I know being an Agreement State, and there were  
25 times that we disagreed quite a bit, but we still -- it was

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1 the agency that I had the greatest respect for. So when I  
2 had the opportunity to come here as a Commissioner, it was a  
3 wonderful thing to happen to me. And I have enjoyed by stay  
4 here. I am happy to be with a second term. But I really  
5 appreciate, as does the entire Commission, all the hard work  
6 that you have done. You are the reason that we have been so  
7 successful and we all thank you very, very much.

8 [Applause.]

9 CHAIRMAN JACKSON: Commissioner McGaffigan?

10 COMMISSIONER MCGAFFIGAN: Chairman Jackson at the  
11 end this morning commented that we sounded like broken  
12 records, so you will have to forgive us if we sound that way  
13 again this afternoon.

14 I second everything that Chairman Jackson and  
15 Commissioner Dicus have said. We are very proud of what has  
16 been accomplished since last September. When we met here  
17 last September we were under a bit of a cloud. We had had  
18 the very strong report language. We had had our first  
19 stakeholder meeting. We had a tasking memo that set very  
20 ambitious agendas for action by January, when we expected a  
21 hearing and then going forward into the future -- and I  
22 think you have exceeded our expectations in many, many  
23 areas. The list of accomplishments that Chairman Jackson  
24 rattled off could be easily lengthened this year, as she  
25 herself said, and I have some here, but I won't bore you

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1 with the list.

2 You know what you have done and you know how much  
3 you have accomplished, but there is no end to change. Once

4 you are committed to making yourself the best agency of  
5 Government, which we are making a very good effort at, you  
6 then try to become the best organization on the face of the  
7 earth, and maybe that's what our goal is.

8           There's a lot of places where we can still  
9 improve. There's a lot of rules that we can still  
10 propagate. There's a lot of changes in our processes that  
11 we can still accomplish, but we have a very good foundation,  
12 as Chairman Jackson said, on which to build that progress,  
13 and we are going to have to keep reinventing ourselves as we  
14 go forward.

15           One area that I would like to emphasize, and I  
16 think it is really a profound change, and the Chairman has  
17 referred to it, is the degree of proactive engagement that  
18 we now carry out with our stakeholders, not just the  
19 industry but with Mr. Lochbaum, whom the Chairman mentioned,  
20 Paul Gunter with the Nuclear Information and Resources  
21 Service, who was at a Y2K meeting here this morning, with  
22 the states, not just Agreement States -- the West Valley  
23 Project, West Valley demonstration project, setting the  
24 decommissioning standard there. We went through a public  
25 process I am very proud of and I think that proactive

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1 engagement empowers you all, as the Chairman was talking  
2 about, to bring back to us the views of all the  
3 stakeholders.

4           We will guarantee, I think in engaging more  
5 stakeholders we will guarantee that we will not agree with  
6 everyone because there will be a diversity of views that we  
7 will get, and ultimately we have to make choices, but public  
8 confidence, this goal that we talk about as one of the four  
9 fundamental goals or five, depending on whether you talk to  
10 Research or NRR, the public confidence goal is not so much  
11 that we are going to get so many percentage of people  
12 agreeing with the decision, it's that the process whereby we  
13 reach the decision was a good process.

14           Mr. Lochbaum disagreed with us on the Millstone  
15 III restart decision we made last year but complimented us  
16 on the process whereby we reached that decision, the public  
17 meetings both Mr. Travers had locally and then the  
18 Commission had here in Washington. So let's stay the  
19 course. Let's continue our proactive engagement. Let's  
20 continue to build our list of accomplishments. Let's market  
21 ourselves. We did get complimented by the Appropriations  
22 Committee for our monthly reports. We can only market  
23 ourselves if we have accomplishments and I think we will  
24 continue to have a vast number of accomplishments as I look  
25 ahead to the next All Hands Meeting.

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1           CHAIRMAN JACKSON: Commissioner Merrifield?

2           COMMISSIONER MERRIFIELD: Thank you, Chairman. I  
3 would like to concur with the comments made by the Chairman  
4 and my fellow Commissioners this afternoon and make a few  
5 additional comments in this regard.

6           The first one would be regarding the Chairman. We  
7 are at the point now where we are beginning the end of her  
8 reign and as we look at that I think there are a couple of  
9 litmus tests that one must use to determine the success of  
10 an individual who has managed an agency such as this.

11           The first one is is the agency in a better  
12 position than it was when that manager first came on board,  
13 and secondly, has that manager, that Chairperson, put the

14 agency in a position that it will continue to improve after  
15 he or she has left.

16 In that regard I think the Chairman has really met  
17 and exceeded both of those litmus tests, and although we  
18 will have certainly a number of other opportunities to wish  
19 her well in the next few weeks, certainly I would like to  
20 give her my thanks again for what I think is a job well  
21 done.

22 [Applause.]

23 COMMISSIONER MERRIFIELD: The second one I would  
24 like to talk about is the Staff. Now I know the other  
25 Commissioners have made some mention of that as well. I'll

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1 put in my own two cents.

2 Having been here eight months now and having  
3 gotten a lot of help from a lot of people in terms of  
4 getting up to speed, I want to share with you some brief  
5 thoughts of my own, given where I have come from.

6 As many of you know, I spent on and off about 12  
7 years up in the United States Senate, working on issues  
8 associated with energy and environment. In that position,  
9 most notably I worked with the Senate Environment and Public  
10 Works Committee, which as you all know is the oversight  
11 committee for the NRC.

12 There within the committee I think there's a  
13 recognition among the staff and among the Senators that the  
14 NRC is known as an agency that has a very highly qualified,  
15 competent, technically capable Staff. Until I came on  
16 board, until I had the opportunity to interview probably 50  
17 or 60 people here as well as literally hundreds of other  
18 individuals that I have met since I have been here as a  
19 Commissioner, I have to say the one impression that I have  
20 is not just that we are a technically competent and  
21 highly-skilled and successful agency, but that level of  
22 competence and skill and dedication runs throughout the  
23 agency. It is consistent and virtually everyone that I have  
24 met in the time that I have been here I have been very  
25 highly impressed with and obviously it's resulting in the

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1 kind of achievement that we have made over the course of the  
2 last year to year and a half.

3 The last comment I would want to make is really to  
4 again comment about where we have been and where we are now,  
5 and I think for me, being a former Congressional staffer, I  
6 would use the two significant Senate Environment committee  
7 hearings that we have had in the course of the last year.

8 The first one was last July. I was still a Senate  
9 staffer at that point eagerly hoping to be confirmed as a  
10 Commissioner, and that was obviously a very difficult  
11 hearing for this Commission. A number of very pointed  
12 questions were asked of the Chairman and the other  
13 Commissioners, a lot of doubt about where the agency was and  
14 where it was going. The tone was certainly -- was not a  
15 positive one.

16 In contrast, the hearing that the Commissioners  
17 and the Chairman and I participated in in front of the  
18 Environment committee just a few months ago was notably  
19 different. It was very positive. There was a lot of very  
20 good comments made from the Senators who were present,  
21 talking about the level of achievement that we have made and  
22 showing great confidence in our ability to move forward.

23 Using those two hearings as a litmus test for  
24 where we are as an agency clearly demonstrates that not only  
25 do we ourselves feel that we are doing a good job, but

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1 ultimately Congress, the individuals who give us the money,  
2 and give us the tools we need to get our job done feel that  
3 as well, so I think that again is a good accomplishment.  
4 It's an accomplishment not of the Commission but it is an  
5 accomplishment of the Staff, and so I would like to give you  
6 all a hand --

7 [Applause.]

8 COMMISSIONER MERRIFIELD: Thank you very much.

9 CHAIRMAN JACKSON: Thank you and thank you for  
10 those kind remarks, Commissioner Merrifield.

11 Now we begin the main part of what we are here  
12 for, and that is to address questions and concerns that any  
13 of you may have.

14 This morning we got essentially -- was it one or  
15 two questions from the tent, so I then asked that we pass  
16 out the index cards so that if there are any questions that  
17 you might have that you may not want to stand right up and  
18 pose that you might write them down and give them to one of  
19 the ushers, but of course, as Mrs. Norry said, we would urge  
20 you to step right up and ask us what is on your mind, so let  
21 me begin.

22 Is there a question from the tent? Please --

23 VOICE: Can you hear me?

24 CHAIRMAN JACKSON: Yes.

25 VOICE: Okay. I have a question basically for

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1 Commissioner McGaffigan.

2 In the Part 70 website that I was the website  
3 manager for, I made an effort to contact a number of varied  
4 stakeholders including some worker unions, some professional  
5 organizations, and others that I thought might have an  
6 interest.

7 I did not receive any comments from most of those.  
8 I think I only -- all of the comments were from the industry  
9 and maybe one from ANS, but it seemed like a rather  
10 haphazard, ad hoc approach that I took. I mean I did it all  
11 on my own without any particular guidance as to what  
12 organizations should be included in that list.

13 Is there any effort being made to organize  
14 something like that?

15 CHAIRMAN JACKSON: In point of fact, I had a  
16 discussion this morning with the EDO and in the phase before  
17 ADAMS is fully implemented, in fact the Staff is working on  
18 a coherent approach to packaging agency preliminary  
19 documents and positions for placement on the website, and as  
20 part of that looking at how we can ensure the greatest  
21 access or notification to all of our stakeholders, but as  
22 you I think are getting at, a more consistent and coherent  
23 way, and so if you have any particular suggestions or  
24 lessons learned from your experience, I think it would be  
25 very, very helpful to provide some direct input, either to

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1 the EDO, because he has responsibility for getting this  
2 interim process underway, or to the Commission as a whole.

3 This is not to stop Commissioner McGaffigan from  
4 answering your question but in point of fact that  
5 responsibility is one that the EDO has underway as we speak.

6 COMMISSIONER MCGAFFIGAN: Let me answer slightly  
7 differently.

8 First of all, I want to compliment you for what  
9 you did. I think that you did a great job. It was ad hoc.  
10 Equal access, as the Chairman talks about, doesn't  
11 necessarily result in equal involvement, but I think we need  
12 to seek the access so that nobody feels that they were not  
13 part of the process who wanted to be.

14 There are some obvious groups. When Mr. Gunter  
15 and NIRS were testifying earlier this year, we invited them,  
16 the Commission did, at the Commission briefing to give us  
17 the list of issues that they wanted to be kept abreast of as  
18 meetings came up.

19 I think Mr. Lochbaum is -- they both monitor our  
20 website. I know from having talked to Mr. Gunter yesterday,  
21 he monitors our website for upcoming meetings, plus I think  
22 that it is totally appropriate I believe in your case when  
23 at least people whom you knew were aware of interest, you  
24 would send an e-mail when a change happened on the Part 70  
25 site to say there's a change out there, you may want to look

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1 at it.

2 So I think you did a lot of good things and if you  
3 have, as the Chairman said, if you have recommendations how  
4 to do it better I think we would maybe want to routinely  
5 solicit from the NIRS and NRDCs and Nuclear Control  
6 Institutes and the Union of Concerned Scientists, those sort  
7 of interest groups, what their list of issues is so that  
8 people like you are aware and then individual members of the  
9 public -- there's only so much we can do.

10 There's press releases, there's making sure our  
11 web page is there to be utilized, and as the Chairman said,  
12 we would be open to other ideas, but I think you personally  
13 and the group of people who worked on the Part 70 rulemaking  
14 invented a lot of good stuff the last several months that we  
15 need to build on.

16 CHAIRMAN JACKSON: Thank you. You should know,  
17 and I also congratulate you and thank you, but you should  
18 know that as the new approach to posting agency papers and  
19 positions on the website is implemented a key component of  
20 it in terms of equal access is not getting certain groups in  
21 the queue before other groups are in the queue, and so a key  
22 part of this is that accessing the website through what is  
23 new is going to be the mechanism and not that others get the  
24 jump on what we are putting out there, because some things  
25 go into the PDR while other people can come and pick things

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1 up that in point of fact it's going to go out and everyone  
2 will have the equal electronic access, and that will be the  
3 fundamental mechanism.

4 Is there another question? Maybe we will hear one  
5 from the region?

6 MR. POOL: Yes, Chairman Jackson. This question  
7 is from Region IV.

8 What initiatives does the Commission foresee as  
9 being necessary to increase the public's participation as an  
10 active stakeholder?

11 CHAIRMAN JACKSON: I think that -- and I will  
12 invite my colleagues to comment -- I think that some of our  
13 answer to the previous question is part of that.

14 I think we have the opportunity with electronic

15 media, with information technology, to make greater use of  
16 that to have that as part of the way we in fact do  
17 rulemakings. We had quite a discussion at the Part 70  
18 Commission meeting yesterday about putting out preliminary  
19 versions of papers or positions, and the Commission almost  
20 routinely now puts out Staff papers for -- puts them out  
21 into the public domain -- even as the Commission is thinking  
22 about it and mulling the paper or the issue and how it may  
23 in fact vote on it, so that everybody essentially has what  
24 we have when we have it.

25 I think that we need to redouble our efforts to

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1 reach out to groups that historically may have felt excluded  
2 and/or have not had the kind of access and accessibility to  
3 what NRC is doing, and a lot of that has to come from those  
4 of you who are involved and know who some of the key  
5 stakeholders are in the various arenas.

6 I think that the Commission itself plans to  
7 continue the stakeholder meeting process that we have with  
8 some periodicity. We are encouraging and even directing  
9 that the staff continue to have discussion of its work in  
10 public workshops and, generally, remaining open to and being  
11 proactive with respect to just holding meetings with the  
12 public to hear what the public has to say, what their  
13 concerns are, and not always doing it reactively, although,  
14 of course, the attendance at such meetings typically is  
15 driven in a reactive sense, but not necessarily to wait for  
16 there to be a crisis because we meet with the public.

17 But, in fact, particularly as we launch new  
18 initiatives, and we have done some of this with the license  
19 renewal process, as we roll out and begin these pilots on  
20 the new reactor oversight process, you know, we are having  
21 public meetings. We know people would have concerns, not  
22 waiting until there is a hiccup or something has happened,  
23 but to do that more comprehensively.

24 Commission Dicus, I don't know if you --

25 COMMISSIONER DICUS: Yes, I want to add a couple

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1 of comments to that.

2 CHAIRMAN JACKSON: Is it on?

3 COMMISSIONER DICUS: It should be on now. I think  
4 it activates -- is voice activated. Anyway, one of the  
5 things it is important to do as issues surface in various  
6 parts of the country and are going to impact a certain area,  
7 or whatever, is, as carefully as we possibly can, identify  
8 all the groups that we might impact, that might be  
9 interested. Now, some of those groups aren't the least bit  
10 shy about letting us know that they want to be involved in  
11 the process, but sometimes we may in some way or the other  
12 overlook a group and that -- I think we need to carefully  
13 look at how we put out our information so that we do throw a  
14 wide enough net to get the people who really want to be  
15 involved in the process.

16 About a month ago, a little more I guess it was  
17 now, I went to visit Yucca Mountain, having not been there,  
18 at least inside the mountain. But I also spent a day  
19 meeting with state and local officials, public interest  
20 groups, two groups of Native Americans. We really, you  
21 know, let it be known I was coming, that I was willing to  
22 meet with anyone who wanted to meet with me, either as a  
23 group or individually. And we started at 8:30 in the  
24 morning and went to 5:30 in the afternoon. There was a

25 great deal of interest.

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1 One of the things, a lot of the things I learned  
2 about that meeting, I have passed them on. Those of you, of  
3 course, quite a few of you went out with us. But one of the  
4 things that was interesting to me, even though we had  
5 meetings in Nevada and in the Las Vegas area, and even  
6 though there had been a lot of material put out, I was  
7 surprised at the number of groups and individuals who  
8 weren't quite clear on how they could be part of the  
9 process, even if they wanted to be part of the process to  
10 try to stop the process, they still weren't quite clear on  
11 exactly how can I have the most impact and how can my voice  
12 really be heard. So we tried to clear up some of those  
13 things.

14 But I think that is part of what, as we get more  
15 mature in doing this, be sure that we make our information  
16 clear enough that not only are we identifying the people and  
17 they know who we are and why we are there, we weren't making  
18 that clear either in this particular case, but make it clear  
19 how you can truly be a part of the process and how you go  
20 about doing that.

21 COMMISSIONER MCGAFFIGAN: I think in the previous  
22 question I gave most of my answer. One of the issues you  
23 always come up with is, who is the public? And that is  
24 actually a fairly profound issue. In England, or the United  
25 Kingdom recently, they randomly chose, I believe, 10 or 15

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1 members of the public to help them think about high level  
2 waste repositories and what should be done in Britain with  
3 regard to high level waste. And that may be -- I mean  
4 randomly choosing through some sort of survey and actually  
5 getting 15 people to serve may be the best way if you want  
6 to get a random public view.

7 It was an educated public view because they spent  
8 a couple of days or more educating the group, what the real  
9 options were. Various interest groups had a chance to make  
10 a presentation, along with governmental agencies, et cetera.

11 I don't advocate that, but it raises the issue --  
12 who is the public? In conversation with Mal Knapp earlier  
13 this year I said, well, the public for oversight purposes,  
14 the new oversight process, might well be the editorial  
15 boards of the newspapers near the reactor sights, because  
16 that is how most of the public is going to get their  
17 information. So making a concerted effort, as I think we  
18 used to do in the SALP process, the people who would come to  
19 SALP meetings would be reporters, but making sure those  
20 people understand what the new process is about may be the  
21 public.

22 But the public ultimately that we deal with is the  
23 public who, given all the access we are going to give them,  
24 chooses to engage. And then the rest of the public, I think  
25 they pay us the big bucks up here on the podium to try to

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1 discern what good public policy is, irrespective of whether  
2 the vote is 90 to 10 in favor of doing X. The 10  
3 occasionally is right and, you know, occasionally, both you  
4 all as the staff stand with the 10, and occasionally we  
5 stand with the 10, if it is the right thing to do.

6 COMMISSIONER MERRIFIELD: I only -- there are two

7 very brief comments I would make. You know, we have had I  
8 think a very good stakeholder meeting process, periodically  
9 meeting with stakeholders. Those meetings have for the most  
10 part focused on a lot of the reactor issues. I think among  
11 ourselves we have discussed the notion of trying to broaden  
12 that to some of the materials issues and bringing a  
13 different group of stakeholders and get some input in terms  
14 of where are going with those areas. So that is one  
15 comment.

16 The other comment I would make in response to the  
17 questions, you know, I think the whole plain English  
18 initiative that we have in the way of the agency, to make  
19 sure that our regulations, our rules, our guidance  
20 documents, and the way that we speak to the public is done  
21 in a manner which is understandable to the public. It is  
22 all too easy for all of us to start speaking in jargon or  
23 using acronyms. That makes it very difficult for the public  
24 to have access to what we are trying to say. So it is  
25 incumbent on us to try to present ourselves, whether it is

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1 in written form or in spoken form, in a manner that is  
2 accessible to the general public so that they, too, can  
3 participate in our process.

4 CHAIRMAN JACKSON: The gentleman here. Thank you.

5 MR. COLLINS: I am David Collins from Region II.  
6 Commissioner Merrifield has just exposed all of my comments  
7 to bright sunlight, sort of. My question had been, where do  
8 we stand, and how fast are we reaching towards plain  
9 English? We have been putting out rules, regulations,  
10 guidance documents like you wouldn't believe in jargon that  
11 is tied up with the nuclear industry, with the medical  
12 industry, the materials world, the technical world. The  
13 average person across the street doesn't know what it means,  
14 doesn't have the foggiest idea of how to get hold of it and  
15 doesn't know -- doesn't even know who to ask to get to it.

16 I am a materials person, I have gotten questions  
17 in Region II from reactor folks, I have gotten questions  
18 from newspapers saying, what does this mean? And usually it  
19 takes anywhere from 10 to 15 minutes to explain what it took  
20 and why it took so long to get there. If can trickle down  
21 to the staff and reinforce that, I think we are going to be  
22 a lot better off.

23 CHAIRMAN JACKSON: No, I applaud you for bringing  
24 that issue up yourself and reemphasizing it. You know, we  
25 had a recent experience where some of our staff went down to

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1 brief some Congressional -- some members of the  
2 Congressional staff, and at a certain level the presentation  
3 was well organized and well presented, but these staffers  
4 came away not really understanding where they thought we  
5 were going with our new oversight process.

6 Now, sometimes it can be that people don't  
7 necessarily like the change, but it also raises the point  
8 that you raise about ensuring that we remove the jargon as  
9 much as we can and the insider talk. But I think the plain  
10 language initiative, coupled with the overall communications  
11 initiative that is underway allow us an opportunity to  
12 address these concerns, but it will only work if we keep  
13 this at the forefront of our minds. And the EDO has it at  
14 the forefront of his mind, I know, because we talk about it  
15 all the time.

16 We can't argue that everything has been fully

17 implemented or rolled out, but it will be. And you may not  
18 recall, but when Dr. Travers was the Deputy EDO, one of the  
19 key items in his portfolio as the Deputy Executive Director  
20 for Regulatory Effectiveness was communications, and so he  
21 has that at the forefront of his mind.

22 Another question from the Region?

23 MR. ADAMS: Chairman Jackson, I have a question  
24 from a regional staff member that reads, "I understand that  
25 NRC has been given authority for the \$25,000 buyout. Is

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1 there any consideration being given to using this incentive  
2 for lower grade level employees?"

3 CHAIRMAN JACKSON: We have the buyout authority,  
4 we have no plans at the present time to use buyouts at this  
5 stage of the game.

6 COMMISSIONER MCGAFFIGAN: Madame Chairman, could I  
7 just add? There is an implication in the question, last  
8 year we used the buyout authority primarily to achieve the 8  
9 to 1 employee to manager ratio because part of the buyout  
10 authority is that you are not supposed to replace the people  
11 once they have utilized the buyout. It is not a tool that  
12 you can use to downsize your work force and then upsize it  
13 just a little bit later. And I think the FTE situation is  
14 such that we don't need to use it at the lower levels, but  
15 it was actually a very useful tool last year, combined with  
16 early-out authority to honorably achieve the 8 to 1 ratio  
17 without being unduly disruptive. And that was the main  
18 motivation, that is what our report to the Congress and to  
19 the Office of Personnel Management highlighted. If I am --  
20 I am looking at that in order to make sure I am right here.

21 CHAIRMAN JACKSON: That's true, since I had to  
22 re-sign those reports to Congress.

23 Are there -- is there another question from here?

24 MR. HECK: Good afternoon. This is a question  
25 from the audience that reads, "Looking back over your tenure

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1 as Chairman, if you had the opportunity to change anything,  
2 what would it be?"

3 CHAIRMAN JACKSON: Probably what I would change is  
4 to be more interactive at an earlier stage with more of the  
5 staff, to try to have people understand a little more what  
6 some of my motivations were in asking the staff to do  
7 certain things.

8 Then I'd say the second thing is at the Commission  
9 level there is always an opportunity at the Commission level  
10 to foster more collegiality. I think we've all come a long  
11 way down the pike in that regard. But I think the Chairman  
12 has a particular role with the Commission format to work  
13 very specifically on that.

14 Another question from the regions.

15 MS. ADAMS: Chairman Jackson, the last regional  
16 question I have is from Region IV. What is the status of  
17 congressional oversight activities regarding the NRC?

18 CHAIRMAN JACKSON: Well, the status, in a certain  
19 sense we kind of alluded to it earlier when Commissioner  
20 Merrifield talked about our last oversight hearing. The  
21 tone was quite different. There is a plan to have another  
22 oversight hearing with our Senate subcommittee in September,  
23 roughly six months or so from our last one, which was  
24 February 4, not from the point of view that there remains  
25 the high level of criticism that we faced last summer, but

1 rather as regular oversight and followup.

2 As far as overall in the Congress, I have had  
3 occasion over the last couple of months to meet with the  
4 chairman of each of our key subcommittees, both on the  
5 appropriations side and the authorization side, and again  
6 there are no particular criticisms anybody brings up. In  
7 fact, we're getting kudos relative to all that we've  
8 accomplished, and if anything, we're just being encouraged  
9 to continue along the line. But people are quite well  
10 pleased with what we've done.

11 But we can't let up or fall back to the past. So  
12 there's nothing that, you know, I see on the horizon that  
13 looks like a dark cloud. We just have to remain vigilant in  
14 what we're doing.

15 COMMISSIONER MERRIFIELD: Chairman, if I could  
16 make a comment, I think at least on the Senate side, Senator  
17 Inhofe has indicated a desire to continue having those  
18 hearings on a periodic basis, so we very well may be as a  
19 Commission going up and appearing before the Senate  
20 Environment Committee every six months or so. I think the  
21 period that this agency had in which it did not appear  
22 before the House and Senate was not a good thing.

23 CHAIRMAN JACKSON: That's right.

24 COMMISSIONER MERRIFIELD: The message of the  
25 Agency and how well it was doing was being dictated by

1 others, not being espoused by us, and so I think we should  
2 welcome -- we as a Commission should welcome every  
3 opportunity to go up and meet with the Members of Congress,  
4 to meet before these congressional committees and explain to  
5 them the missions being accomplished by the people in this  
6 Agency, because I think we've got a good record to tell.

7 CHAIRMAN JACKSON: We've had -- and this was true  
8 when I came -- we've had a kind of a tendency to have the  
9 kind of "keep our heads down" point of view, but as somebody  
10 tells me, if your head's down, something else is exposed.

11 [Laughter.]

12 And so the point is like, you know, no  
13 communication is good communication. But I think  
14 Commissioner Merrifield is absolutely right, that that is  
15 not a good thing, particularly with changing expectations on  
16 the part of Congress, of Government agencies, changing  
17 expectations on the part of the public and the White House  
18 of what is expected of government agencies. And then if we  
19 aren't telling our story, believe me, somebody else will  
20 step into the vacuum and tell it the way they want to tell  
21 it.

22 So these reports that we provide monthly to  
23 Congress having regularized oversight redounds to our  
24 benefit because it allows us to tell the story, it's coming  
25 from the horse's mouth, so to speak, and if there are

1 concerns, we can hear about them and understand them early  
2 on, both not only from the hearings themselves, but in the  
3 regularized interaction with congressional staff.

4 That's something we also have been much more  
5 aggressive about, is the regularization and not even  
6 regularized, just deciding we need to do it, as well as  
7 being more responsive to requests for briefings and the  
8 like, because the more we keep our issues onto the table,

9 the better understanding there is on all sides.

10 The main point I wanted to make was that we do  
11 expect to keep having the authorization or the oversight  
12 hearings, but not on the basis that there is a crisis, but  
13 rather as part of normal congressional oversight, which is  
14 beneficial.

15 Yes.

16 COMMISSIONER MCGAFFIGAN: If I might just -- I'll  
17 end up echoing Commissioner Merrifield as a former  
18 congressional staffer -- the first thing I wrote down when I  
19 heard the question is Congress is an opportunity, and we've  
20 heard that, but we have a meatier legislative package than  
21 we have had in the past currently before the Congress that  
22 deals with several important issues. We may well have  
23 additions to it.

24 We're going to have a meeting in a couple days  
25 with regard to Part 40, and I believe both the staff and

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1 some staffers who have filed a differing professional  
2 opinion are in agreement that we should get some legislative  
3 clarification. There are some issues with regard to the  
4 hearing process that we may add to our package on, et  
5 cetera. But it is a meatier process, and I think it's a way  
6 of thinking that we need to adopt here.

7 The Congress can help us solve problems. If we've  
8 been always doing something a certain way because some  
9 Senator, Senator X or Congressman Y back in 1970 or '74 or  
10 '63 had an inartful staffer -- not me or Jeff -- who drafted  
11 something not quite precisely, and we've been living with it  
12 for 30 years and trying to do the best we can to divine what  
13 the heck the guy had in mind, we can fix it. And we need to  
14 think about the Congress, especially if we can get an  
15 authorization bill passed in this Congress, as a place where  
16 once we've done that, I think we'll have proven that we can  
17 solve a few problems and move on and maybe solve a few more.

18 Congress is an opportunity, is the big thought I  
19 want to get across.

20 CHAIRMAN JACKSON: I happened to meet with a  
21 couple of Senators recently, and they made the point, you  
22 know, we've been talking in terms of oversight hearings, but  
23 as you may have noted, when I talked about oversight and  
24 interactions with the Congress, I also talked about at the  
25 staff level, and I think we've become more aggressive and

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1 assertive with respect to interacting with congressional  
2 staff at the staff level. And I don't want you to minimize  
3 the importance of that. I think that is an opportunity,  
4 because as these particular Senators said, you know, many  
5 people think of the congressional staff as the gatekeepers,  
6 and at least these two Senators said they are the gates.

7 [Laughter.]

8 MR. HALL: Chairman Jackson, this question is for  
9 you. After five years as Chairman of the NRC, what does the  
10 term "adequate protection to public health and safety" mean  
11 to you?

12 CHAIRMAN JACKSON: Well, it means simply that we  
13 carry out our job so as not to have undue risk for the  
14 public, that we do have safety goals that relate to how that  
15 translates into overall guidance for how we carry out our  
16 programs, and that we have an ability to use risk  
17 assessments and risk insights to help us flesh out where the

18 risks are the greatest and where the relative risks are, and  
19 we structure our programs accordingly.  
20 That's my answer.  
21 MR. HALL: I'm sorry, that wasn't my question.  
22 CHAIRMAN JACKSON: You asked me what adequate  
23 protection means.  
24 MR. HALL: Right. I meant I was just bringing the  
25 question to the microphone.

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1 CHAIRMAN JACKSON: Oh, that wasn't your question.  
2 COMMISSIONER MCGAFFIGAN: He was just bringing up  
3 the card.  
4 CHAIRMAN JACKSON: Oh, all right, so now you have  
5 your question.  
6 MR. HALL: No, I've got one more question that was  
7 submitted. I'm just the messenger.  
8 [Laughter.]  
9 The next question is the total life-cycle cost of  
10 ADAMS.  
11 CHAIRMAN JACKSON: I'd have to ask Mr. Galante to  
12 speak to that issue. Maybe you can go to the microphone.  
13 MR. GALANTE: Can you hear me? There we go.  
14 The actual development cost of ADAMS is a little  
15 over \$13 million, and to maintain ADAMS on an annual basis  
16 is going to run somewhere about \$2-1/2 million. This is  
17 less I guess than what we are paying today only because  
18 we're able to eliminate a lot of costs as a result of ADAMS.  
19 I'm looking at at the moment a payback for that little over  
20 \$13 million over a 4-1/2 to 5-year time frame.  
21 CHAIRMAN JACKSON: But you should understand that  
22 there is an actual law that guides what the CIO does, which  
23 is the IMTRA, the Information Management Technology Reform  
24 Act of 1996, and it has built into it a requirement that as  
25 an agency looks to procure and deploy technology, that it

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1 has to do some up-front planning and analysis to look at how  
2 best to procure it, but also look at its own processes,  
3 internal processes, looking for efficiencies and  
4 optimization opportunities, and that is what Mr. Galante has  
5 been implementing on a regular basis. And I believe as we  
6 go forward, we're going to capture more savings. But I  
7 think those are the existing numbers today.  
8 But every week when I meet with Mr. Galante, he  
9 always has something new where we've been able to capture  
10 more savings. In fact, I've asked him to put it all  
11 together into a cumulative package for us.  
12 Yes.  
13 VOICE: The risk-informed process has been  
14 embraced by the nuclear industry in part because it removes  
15 what the industry sees as unnecessary burdens, even  
16 sometimes will allow it if there's a small increase in  
17 potential risk associated with the change. However, what  
18 happens if NRC finds a risk-informed insight that would  
19 potentially increase the burden to a utility, then they  
20 would like a backfit analysis in order to apply that  
21 particular effort that they have to do, because they feel  
22 that risk insights that cause them more burden require  
23 backfit.  
24 So my question is, is the backfit threshold too  
25 high in light of our going to a risk-informed process, and,

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1 secondly, how can we assure that safety insights can be  
2 implemented, not just removed?

3 CHAIRMAN JACKSON: I think that's a good question,  
4 and I think it's something that we at the Commission level  
5 are grappling with. In fact, I'm going to let him speak in  
6 a minute, Commissioner McGaffigan has raised that issue in  
7 terms of what we may find as beneficial but not particularly  
8 costly but there's some element of cost, but we can get some  
9 safety gain.

10 My position certainly is that the chips have to  
11 fall where they may and that you don't walk down one side of  
12 the street with risk-informed regulation. And the point has  
13 to be made, and it has to be reinforced by the Commission,  
14 that if we find opportunities for "unnecessary burden  
15 reduction" we will allow licensees to take advantage of that  
16 if the use of, you know, a risk-informed approach leads us  
17 to that. On the other hand, if that same approach uncovers  
18 an area where there is real risk that we heretofore had not  
19 been fully aware of or taken into account, then we have to  
20 deal with that and they have to deal with that.

21 I think we do have to look at the application of the backfit  
22 rule within that context and not have it thrown up as a  
23 basis never to have us be able to have both edges of the  
24 two-edged sword of risk-informed regulation.

25 Commissioner.

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1 COMMISSIONER MCGAFFIGAN: Well, the easy answer to  
2 your question is that you're about to grapple with it  
3 because we're punting back to you as a result of the SRM on  
4 98-300. In that paper you all suggested, the staff  
5 suggested, the EDO on behalf of the staff suggested that we  
6 needed to get some guidance as to how someone who comes in  
7 and asks for a license amendment and using deterministic  
8 analysis and we have a risk insight that would push them  
9 into severe accident space and how that transition would be  
10 done.

11 There is some draft paper in NRR that talks about  
12 the burden of proof being on the staff or whatever. I think  
13 all of that has to now be discussed in a public process, and  
14 I think the backfit issue that you raise is an interesting  
15 one. I've said in other contexts, I think this is what the  
16 Chairman is referring to, that the substantial-benefit test  
17 is a high test. I firmly support cost-beneficial tests, and  
18 I think that's built into the backfit rule. But the  
19 substantial-benefit test at times does get in the way of  
20 doing something that makes a lot of sense, doesn't cost  
21 much, but maybe doesn't reach whatever substantial benefit  
22 means.

23 I notice that we have before us at the moment a  
24 paper on fitness for duty where I believe it's something on  
25 the order of 36 exemptions to backfit are being suggested as

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1 worthwhile changes because they're consistent with HHS  
2 guidance, because they're consistent with industry practice,  
3 because of whatever. And so the backfit rule is not -- I  
4 think the fitness for duty paper demonstrates if we vote for  
5 it as proposed demonstrates that the backfit rule doesn't  
6 have to be a straitjacket, and that there is some  
7 flexibility there that the Commission will consider in  
8 appropriate circumstances. But I agree with the Chairman,  
9 it's a very good set of questions, and we will continue as

10 you will to struggle with getting the answer right.  
11 CHAIRMAN JACKSON: As we move along this path more  
12 fully, I think there are going to be a number of issues  
13 where the risk-informed approach or the part of it that has  
14 to do with risk assessments are going to cross the  
15 deterministic, and as more of those stack up, I suspect the  
16 Commission's going to have to deal with it as a generic  
17 policy issue down the line.

18 Let me see if there's another regional question,  
19 and then I'll get the gentleman here. Is there another  
20 regional question?

21 Oh, well, they're switched. Okay.

22 MR. HECK: Okay. I had another anonymous question  
23 from the audience.

24 How many actual staff hours were used for this  
25 event?

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1 [Laughter.]

2 CHAIRMAN JACKSON: I'll let Mrs. Norry provide  
3 that for you after the fact.

4 MR. HECK: Thank you. I have some more questions.

5 CHAIRMAN JACKSON: Okay.

6 COMMISSIONER MERRIFIELD: I would like to say  
7 this. I mean, I don't know about the other Commissioners, I  
8 think this is worthwhile. I think it's useful for us to be  
9 able to get up in front of the staff and answer questions  
10 and give you some view of where we believe the Agency is  
11 going. I mean, that's sort of a loaded question, gee, is  
12 this a waste of time? I certainly don't believe it's a  
13 waste of time. I think it's a useful use of our time.

14 COMMISSIONER DICUS: Let me add something to that  
15 too, because I agree with Commissioner Merrifield. I think  
16 it's very useful. But implied I guess in the question is is  
17 there a suggestion of another way that these could be done  
18 or a better way to have this kind of interchange. Perhaps  
19 the person at some point will ask that question.

20 COMMISSIONER MERRIFIELD: Or have a suggestion.

21 COMMISSIONER DICUS: Yes, suggestions on how we  
22 might do something different.

23 CHAIRMAN JACKSON: That's true. I think that the  
24 presence of the Commission here indicates the Commission's  
25 basic position in terms of the utility of having these kinds

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1 of open meetings with the staff, which is why I didn't feel  
2 the need specifically to address it, particularly since I've  
3 been doing it for the last four years.

4 And while we are very mindful of how we husband  
5 and use our resources, the opportunity to meet face to face  
6 with the staff is one that I think is critical. But it's  
7 been so critical that I guess I thought it was obvious. But  
8 we will nonetheless provide -- all I'm saying, there's  
9 nothing hidden. We will provide the specific information.

10 COMMISSIONER MCGAFFIGAN: Madam Chairman, just to  
11 echo everybody else, this is an important meeting. Every  
12 book I've read about change processes in agencies say that  
13 agencies under stress need to maximize internal  
14 communications. I know NRR and NMSS and Research are trying  
15 to do that in their individual All Hands Meetings, and other  
16 offices undoubtedly have them. But there's no amount of  
17 internal communication that's too much, according to the  
18 books, when an organization is undergoing change. We are in  
19 control of our own future, as the Chairman says at the

20 moment, but we're still an agency undergoing numerous  
21 changes simultaneously, and we're still an agency that's  
22 under some stress.

23 So I don't think, you know, on a light note I will  
24 note that Pat Norry managed to pull it off so that the tent  
25 today also will cover the awards ceremony tomorrow, and so

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1 as a matter of economy and efficiency I think we have  
2 managed to save a little bit of money, and I commend Pat for  
3 doing that.

4 MR. HECK: Okay. This is a two-part question for  
5 all of you.

6 The first part is could you comment on how well  
7 the Executive Council of CFO, CIO, and EDO works, compared  
8 to the previous method of a single EDO. And the second  
9 part, the rulemaking web site is run by Admin under the EDO.  
10 SECY web sites are run by CIO. Could they both be run  
11 better if combined under one office? Both could use  
12 additional resources.

13 CHAIRMAN JACKSON: I'll take the last part of the  
14 second question as a comment, and we'll consider that, and I  
15 think there's always the opportunity to look at how the web  
16 sites are managed, and we'll take a look at that.

17 But I'm going to let my Commission colleagues  
18 comment if they want about the EC. But I definitely have a  
19 comment. But I'm going to begin this time with the  
20 Commissioners.

21 Commissioner Dicus.

22 COMMISSIONER DICUS: I think I really don't feel  
23 particularly well prepared to answer the question without  
24 knowing a little bit more about the workings that go on,  
25 because the EC deals more with the Chairman's office than it

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1 does with the Commission offices. So I would more likely  
2 think that maybe the EC members might have to answer that  
3 question.

4 COMMISSIONER MCGAFFIGAN: I think that, number 1,  
5 the law has -- for better or worse those congressional staff  
6 writers like Merrifield and McGaffigan have said that we  
7 will be -- that there will be a CIO, that there will be a  
8 CFO, and that they really are in some sense coequal with the  
9 EDO, although the EDO is first among them. That's the way  
10 the law is set up.

11 They report directly, each of them, to the  
12 chairman, and you can argue about whether that's the best  
13 thing and whether you'd be better off with a single head,  
14 but given that that's the law, I think that the group of  
15 people who are working on the Executive Council at the  
16 moment chaired by Dr. Travers do a very good job.

17 The Chairman in her remarks talked about license  
18 renewal, and there are some crosscutting issues that come up  
19 in license renewal that aren't strictly in the EDO shop.  
20 The budget has to be put together by the group as a whole,  
21 and they work well there. So I think that the Executive  
22 Council -- we had one briefing on this subject -- the  
23 Executive Council has done a very good job. There are some  
24 cases where I believe they each defer to each other because  
25 there isn't much of a crosscut, and that's appropriate as

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1 well.

2 COMMISSIONER MERRIFIELD: Having been only here  
3 seven months, eight months, I didn't know the previous  
4 structure, so I don't feel qualified to comment on the  
5 current council relative to the future one. I would only  
6 say that certainly the interim Chairman and the permanent  
7 Chairman will want to have a structure that fits their own  
8 needs, and certainly if they wish to consult me about my  
9 views on it, I will engage as is appropriate.

10 CHAIRMAN JACKSON: Well, I think the fundamental  
11 statements that can be made are these, and I think like one  
12 of the previous questions, this one probably has more behind  
13 it than meets the eye. But my comments are these.

14 First of all, as Commissioner McGaffigan has  
15 pointed out, the law spells out certain things in terms of  
16 the existence of the CIO, the existence of a CFO, as well as  
17 the existence of the EDO, and the fact that each one  
18 individually reports to the Chairman, each one has his or  
19 her own portfolio to manage. Because, though, there are  
20 crosscutting issues and because there's a need for  
21 agencywide strategic implementation of a number of things,  
22 one has to bring such a group together, whether it occurs  
23 under their own aegis or as a group that reports as a group  
24 to the Chairman in addition to individually. That kind of  
25 crossfeed has to occur.

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1 And I am totally unapologetic about it because it  
2 only makes good business and management sense. Secondly, in  
3 most well run organizations, the person who has the  
4 operational aspects doesn't necessarily -- is not  
5 necessarily -- is not the one who holds the purse strings,  
6 who sees to how that budget itself as a budget is both  
7 structured initially, but is in fact executed as a budget.  
8 That is different than the execution of the program.

9 Nonetheless, the EC is structured where what goes  
10 on has to support and undergird what goes on in the  
11 regulatory program, which is why, in fact, the EDO chairs  
12 that group. In addition, when we in fact implemented this  
13 structure, once these -- with the creation of the individual  
14 offices and incumbents to hold those positions and  
15 structured the Executive Council, it in fact underwent OMB  
16 review and they were very strongly supportive of, in fact,  
17 this structure, to the point that they were going to  
18 recommend it to other agencies, and made the comment that  
19 having the intertwined EDO and CFO was not something that  
20 they particularly liked from the beginning. But at the time  
21 the CFO Act was put into place, agencies were doing a lot of  
22 different things and so they let it happen.

23 And so I think the more healthy and fruitful  
24 approach is not to try to long for the past, but rather to  
25 look at how one can make the future work better. I think

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1 you have high quality individuals who hold the positions and  
2 who manage their individual portfolios. I think they are  
3 working their way in terms of what their working  
4 relationship is. I think that we have an excellent Chairman  
5 of that group in Dr. Travers and the group is going to have  
6 to work together as a group whatever happens down the line.

7 And if we went about trying to unwind it and have  
8 everything glommed onto the Edo position, first of all, it  
9 is an overload for the EDO, but it is not something that  
10 would be supported by the cognizant agencies, but most  
11 particularly by OMB. And so I think the really healthy

12 thing is to look at how it needs to -- how these individuals  
13 need to work together in the future and how that can best be  
14 accomplished. Each one of them as individuals has a heck of  
15 a lot in his or her own portfolio to manage and I think they  
16 potentiate and help each other.

17 But I don't know if any of you want to make any  
18 comments at this time. I don't know want to put you on the  
19 spot. Okay.

20 By the way, I mentioned the CFO -- CIO. You know  
21 that Mr. Galante is retiring and I am going to ask Mr.  
22 Reiter, Stu Reiter to stand. We have hired him as the new  
23 Deputy CIO and he will step in as the acting CIO when Mr.  
24 Galante leaves until the next Chairman and Commission decide  
25 who it would like to have as the new CIO.

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1 Are there further questions? Please.

2 MR. STEWART: My name is Jim Stewart, I work for  
3 the INC Branch in NRR. I would like to thank the Commission  
4 for their gracious words about the skill and the hard work  
5 of the staff. I hope that the Commission can say the same  
6 thing 10 years from now.

7 We currently are finding difficulty in  
8 participating with our international counterparts in codes  
9 and standards group, even though that we pay to belong to  
10 those groups out of our own pockets and do most of the work  
11 at home on our own.

12 I am wondering if the Commission has any plans to  
13 facilitate the staff keeping up with the state of the art.

14 CHAIRMAN JACKSON: Well, I think the Commission,  
15 even in certain instances with some of the rulemakings and  
16 policies that have promulgated, have urged the staff to work  
17 with various standard-setting bodies and code development  
18 groups. If there are specific issues that relate to  
19 budgetary considerations, then I am going to be asking -- I  
20 will ask the EDO, and I am asking him now, to look into  
21 that. But I don't believe that there is any -- been any  
22 movement away from a desire to have the staff involved in  
23 these kinds of activities.

24 Now, there always may be a question in terms of  
25 how much and who, but that is something that we have to

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1 resolve within the context of overall priorities and overall  
2 planning and prioritization. But I don't believe that as a  
3 general policy that there is any movement of the Commission  
4 away from that.

5 I am sure that as things goes on, any time there  
6 are things that people are accustomed to doing, that they  
7 may or may not be doing at any given point in time, there is  
8 concern. But we will look at that to see if there seems to  
9 be some detrimental effect. But I don't believe there has  
10 been any policy shift. But we can look at that.

11 COMMISSIONER MERRIFIELD: Madame Chairman.

12 CHAIRMAN JACKSON: Yes.

13 COMMISSIONER MERRIFIELD: If I can make a comment,  
14 because I think there is an underlying issue in your  
15 question as well, and I am not sure if you meant this or  
16 not, but there have been challenges to the money that we as  
17 an agency spend on international efforts as a whole. And  
18 some of stakeholders, some of our licensees asked the  
19 question -- gee, why do we have to spend -- why do we as an  
20 agency spend this money on international efforts that

21 doesn't bring any direct benefit to us?  
22 And the answer that I give -- that I give to those  
23 licensees is that it does. I had the opportunity to  
24 participate in my first visit this year, and I happened to  
25 visit -- first foreign visit, I happened to visit Slovenia,

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1 where we have an excellent understanding with them, a very  
2 good interchange of information. Countries like Slovenia  
3 out there, which have relatively small staffs, and I know  
4 there were comparisons in the Tim Martin report about how  
5 big our staff is versus these other countries. These  
6 countries use virtually line by line our regulations. I  
7 mean there are parts of this world that heavily depend on  
8 the knowledge and expertise of this agency to make sure that  
9 their reactors and the materials licensees that they  
10 regulate are safe.

11 I think anyone who has an understanding of this  
12 agency and this industry recognizes that problems associated  
13 with a nuclear power plant in a foreign country have a  
14 direct and dramatic impact on licensees in the United  
15 States. To the extent that we are active and continue to be  
16 active internationally, I think it is in the interests of  
17 our country, and I think in the interests of international  
18 good will, it is beneficial to those countries that we work  
19 with.

20 Now, the argument is, should some of the monies  
21 that we spend on our international program come off the fee  
22 base? Should we get monies from general revenues to pay for  
23 those? The Commission in the recent submission it made to  
24 OMB asked for 10 percent of our funds, of the \$470 million  
25 that we need to run our operation, to come from general

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1 revenues for things like the international program.

2 But the underlying issue for me, and I would  
3 challenge this of any of licensee, is I believe that the  
4 international programs that we have -- and I congratulate  
5 James Dunleavy, head of our new international program --  
6 those are vital programs. We play a huge part international  
7 in ensuring that nuclear material and nuclear licensees are  
8 safe, and I don't think we should back down from that at all  
9 to any of our licensees.

10 CHAIRMAN JACKSON: Commissioner McGaffigan.  
11 Please.

12 COMMISSIONER MCGAFFIGAN: Just, there is another  
13 underlying issue I think you started from, and let me just  
14 try to make a broad statement with regard to that. I  
15 personally am very concerned about this agency 10 or 15 or  
16 20 years from now being as technically competent as it is  
17 today. This agency is not unique in facing a real  
18 challenge, as government continues to downsize, as the  
19 demographics of the work force, you know, we tend to get  
20 almost a year older for every year that passes when you are  
21 not hiring, and as the civil service system's golden  
22 handcuffs, which affect many in the audience -- I am in  
23 furs, but -- not because I wasn't in government then, but  
24 because I may have made a mistake.

25 [Laughter.]

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1 COMMISSIONER MCGAFFIGAN: But as the golden  
2 handcuffs of CSRS disappear, how do we compete? Not just  
3 us, how does NASA, how does NSF, how does the Advanced

4 Research Projects Agency at the Department of Defense, how  
5 does DOE? And I don't think we really are facing that  
6 issue. I think we are sort of getting by at the moment.  
7 But we almost need an interagency group that looks at  
8 incentives that we can provide technical work forces, here  
9 and elsewhere, and we have to solve our own problem. I am  
10 not going to say everybody -- if everybody else isn't ready  
11 to march, and we are ready to march, we should march.

12 But we need to have incentives in place that we  
13 can maintain good folks, that we can recruit a few folks so  
14 that when, you know, the block obsolescence problem happens,  
15 as we call it in the Defense world, when all the destroyers  
16 hit age 35 and have to be retired and there is nothing there  
17 to replace them with, we have got to deal with that issue  
18 upfront.

19 And I keep looking at the demographics. I think  
20 we get an annual memo -- Paul Byrd isn't here -- from Paul  
21 that talks about the demographics of the agency, and they  
22 are not good if you look 10 or 15 years into the future and  
23 expect normal retirements during that period. And so I  
24 think you are onto a real underlying issue. The piece of it  
25 as to what we can do today to incentivize folks to stay

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1 active in standards body is a small part of a broader  
2 problem, I fear. And we are particularly hard-hit in this  
3 agency because, you know, they keep closing down nuclear  
4 engineering departments in universities and the Chairman has  
5 to write letters to even our local university to keep them  
6 from doing that.

7 And so making sure that we can attract and retain  
8 the people we need to do our job is going to become  
9 non-trivial given all these larger forces that are out  
10 there.

11 CHAIRMAN JACKSON: Let me make a couple of quick  
12 comments. First of all, all of these things, you know, are  
13 not -- the kind of question you raise is important in and of  
14 itself, but all of these things are nested issues. The  
15 whole pipeline is a question. And as one who is about to go  
16 off and become a university president, and of a  
17 technological university, it is a serious issue in terms of  
18 who studies these subjects, what subjects they study.  
19 Rensselaer itself had a nuclear engineering department. It  
20 has a nuclear engineering program today that is part of  
21 another department, but it is a way to maintain some  
22 activity in that area.

23 I have in fact spoken with industry people from  
24 the point of view that if they feel that the issue of  
25 maintaining competence, because they raise that question

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1 with me, in the technical areas that undergird nuclear  
2 activities is a problem that NRC is going to solve, or that  
3 even the government alone is going to solve, without their  
4 voting with their feet, it is not going to happen.

5 But going on to Commissioner Merrifield's comment  
6 about the international arena, I am very happy to hear him  
7 say that because I feel that what we have been spending our  
8 time doing, and it is not a criticism of the Commission's  
9 actions, because it is I think something that we had to do,  
10 but what we have been spending our time doing is thinking  
11 about some ad hoc ways to save certain aspects of our  
12 program, such as international, as opposed to coming out

13 with a fundamental, broader policy statement about -- and  
14 position about the importance of these activities and how  
15 they are core to what we do.  
16 People seem to want to focus a lot on  
17 international programs, which represent, in terms of the  
18 actual office, 1 percent of our budget. Okay. And so it is  
19 like fighting over a penny when, you know, we had better be  
20 worrying about the whole dollar. And so I have found this  
21 quite distressing. But to this point, I think we have,  
22 ourselves, as a Commission have not posited a fundamental  
23 policy position, as a Commission, as to what the  
24 international programs and other programs that are subjects  
25 to these kinds of pressures that they don't directly benefit

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1 the licensees, we have not done that.  
2 And I think, if you ask me, where I think we need  
3 to put some effort, I think we need to put some effort in  
4 that arena. I mean an issue relates to Agreement States.  
5 Now that is a real one, because as more states become  
6 Agreement States, we don't get any fee revenues from those  
7 licensees, but there are certain fundamental infrastructural  
8 and overall technical support things that we do. Question  
9 -- where is the money coming from? Okay. And then is there  
10 another -- there's more Agreement States, et cetera. Now,  
11 that may range from our restructuring the whole question of  
12 whether we do get fees or not from licensees and Agreement  
13 States, or from them, or how it all gets arranged. But we  
14 are going to have to grapple with that.  
15 But this excessive and obsessive focus on  
16 international programs and whether they benefit our  
17 licensees is wrong. It is short-sighted, it doesn't  
18 recognize reality. Some of the reality is what Commissioner  
19 Merrifield mentioned, but there's a lot of other reality  
20 that even is related to laws that say that we must do  
21 certain things in certain areas.  
22 And, finally, whether we are -- you know, if we  
23 not processing a license application for a licensee, and  
24 having that be the only metric of whether things are of  
25 benefit to our domestic licensees, then people are not, you

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1 know, reading the printed page. You never heard me speak  
2 this strongly about it, but it is an argument that I really  
3 get, you know, worn out with, with our having to deal with.  
4 And then finally, this question of taking 10  
5 percent off the fee base, which is what the Commission has  
6 proposed, but it is to try to have a situation where certain  
7 activities aren't specifically targeted. Now, if you ask  
8 me, now I obviously am part of this Commission majority that  
9 has decided to do that. But if you ask me whether a health  
10 and safety agency ought to have its health and safety  
11 activities be fee based, then, you know, see me after the  
12 program.  
13 [Laughter.]  
14 Because I think there is a fundamental issue there.  
15 And then my final statement is because this is  
16 another one that comes up, and I feel very strongly about  
17 this, people seem to have an idea that a lot of what we've  
18 been doing with planning, budgeting, and performance  
19 management, with looking at, you know, administrative  
20 functions, with looking at how we can efficiently deploy and  
21 use information technology, with improving our processes,  
22 whether it's work planning in the regulatory program or

23 something else, that it's somehow all driven by the fact  
24 that we've got to save money for the licensees in fees.  
25 I'm here to tell you that that has never been and

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1 is not my reason, because I've been the one driving a lot of  
2 this planning issue, these planning issues, because I feel  
3 we have a responsibility to manage the resources we have  
4 effectively and efficiently from wherever they come.  
5 Because somehow there's an implication that if it's from  
6 licensee fees, we have a greater responsibility to manage  
7 them wisely than if it comes from John Q. Public's pocket or  
8 the ratepayers of the utilities. And I'm saying we are a  
9 Government agency, we're a public agency, we have certain  
10 responsibilities in the law, some are explicit, and some are  
11 related to our making prudent judgments about how we carry  
12 out those programs.

13 We are funded -- Congress decided how we should be  
14 funded, but we have to do our jobs. But in the end in terms  
15 of being prudent in how we manage those resources I feel is  
16 a greater responsibility if the money is coming out of your  
17 pocket, coming out of some utility pocket, or their  
18 ratepayers' pockets, which is really where it ends up coming  
19 from. And so we need to keep that in mind.

20 The point of being efficient and effective to me  
21 has nothing to do with where the money comes from. It has  
22 to do with what is prudent and what is the right thing to  
23 do. And so I want you to understand me in that regard,  
24 because at least from where I sit there is no confusion with  
25 respect to that. I don't try to save money for Utility X or

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1 Utility Y. I do it because we can do a better job in how we  
2 plan, budget, and manage what we do.

3 Excuse me.  
4 [Applause.]

5 MS. SILLER: My question is, do you anticipate  
6 that the decrease in NRC research funding will continue? If  
7 so, how do you believe this will affect the nuclear  
8 industry's overall safety?

9 CHAIRMAN JACKSON: This morning the Commission  
10 made a very strong set of statements in terms of our belief  
11 in the utility of research, that we will have a research  
12 program. It is a critical part of what we do. The Research  
13 Office has the same responsibility of other offices to plan  
14 wisely, to prioritize, to manage their resources, but we're  
15 not going to sit here and have the Research Office go to  
16 zero, if that's your question.

17 Thank you. Are there any more regional questions?  
18 No? Any more --

19 MR. HECK: I just got handed one more question  
20 from the audience.

21 To what extent is the Commission worried about  
22 slides for public meetings providing potential sound bites  
23 that may or may not be taken out of context?

24 CHAIRMAN JACKSON: Well, there's something you  
25 know about this?

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1 [Laughter.]  
2 COMMISSIONER DICUS: Yes, a little bit.  
3 [Laughter.]  
4 No, I don't know if it comes from this, but when

5 we were in Nevada and met with the various groups, that  
6 issue did surface, and there I think one of the things, one  
7 of the slides that we had shown at a meeting had the  
8 terminology "successful licensing of Yucca Mountain," and  
9 that was taken to mean we had already made the decision to  
10 license it. So I think we have to be very, very careful  
11 with the slides, whatever they are, and I have discussed  
12 this some with staff, to be sure if we do a slide like that  
13 we really explain what that means.

14 There were some slides that DOE had used that the  
15 same situation came up. So I think we're obviously going to  
16 use slides, but perhaps greater care in ensuring that  
17 terminology is explained and hopefully not taken out of  
18 context. You can't guard against that entirely, but being a  
19 little more careful what's on a slide may be helpful.

20 CHAIRMAN JACKSON: I think the general message of  
21 making sure that the proper context is provided and the  
22 definitions are clear and not assumed is critical. And so I  
23 don't have anything else to add.

24 Is there another question?

25 Yes, please.

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1 VOICE: The Department of Energy has expressed not  
2 that long ago an interest in having the NRC regulate many of  
3 its facilities, and I believe it was about two years or so  
4 ago that Tara O'Toole came in here and briefed the  
5 Commission about that and made a fairly strong pitch in  
6 favor of that approach.

7 As you are all well aware, there appears to have  
8 been a change of heart on the part of the Department. The  
9 Secretary has come out with a statement that opposes  
10 external regulation, and the Defense Nuclear Facilities  
11 Safety Board has also come out with a document that has  
12 certain arguments in it that I think are of dubious  
13 validity.

14 But in any event, I wondered whether any of you  
15 would want to venture an opinion at least publicly as to how  
16 you think this will eventually play out. And do you think  
17 external regulation is dead in the water forever, or do you  
18 think it has a chance -- does it still have a pulse at all  
19 and might Congress have a change of heart in that regard and  
20 support it?

21 CHAIRMAN JACKSON: A similar question actually was  
22 raised this morning, and I thank you for raising that. You  
23 know, let me just kind of background it by saying that the  
24 Commission is about to send off to the Congress with its  
25 approval and guidance the staff's paper on external

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1 regulation, which as you know is different in certain  
2 aspects from DOE's.

3 The reason we're doing that is because the  
4 Commission clearly has a point of view that external  
5 regulation of DOE nuclear facilities and activities  
6 particularly in areas like energy research and nuclear  
7 energy has much value to add, and that it is not something  
8 that would be excessively difficult or expensive to bring  
9 into being.

10 But to address the heart of your question, clearly  
11 there's been a migration and a change in the policy position  
12 within the Department of Energy since -- actually it's  
13 probably more like three years ago the whole idea of  
14 external regulation was initially brought to us, and I don't

15 know if you recall, but it was probably -- the idea of  
16 embarking on something like that was something that the  
17 Commission initially felt fairly lukewarm about -- but as  
18 part of the strategic assessment and rebaselining, we put  
19 out the question as part of a DSI of whether this is  
20 something the Commission could -- the NRC could do or should  
21 do. And we got a lot of stakeholder input, enormous, that  
22 suggested and urged us along that line. So we moved along  
23 that line.

24 We've done what we've set out to do in terms of  
25 conducting the pilot program. I don't believe that the

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1 pilot itself is going any further. We've gotten clear  
2 signals from the relevant authorization and even now  
3 appropriations committees that that is not a direction the  
4 Congress is ready to move in now, and without the support of  
5 the Congress and the Secretary of Energy, it's something  
6 that's not going to happen.

7 I said this morning, however, that I do believe  
8 two things. One is that external regulation as an overall  
9 policy approach is an idea whose time will come again, and  
10 the work that the NRC has done as laid out in the staff  
11 paper and with the commentary the Commission will be  
12 providing as we submit this report to Congress will be a  
13 documentary record that will be very important and useful to  
14 policy makers when that idea comes again.

15 But in the interim, we do have, and Commissioner  
16 McGaffigan nicely laid them out this morning, a number of  
17 activities where we are quite engaged either directly or  
18 statutorily with oversight of a number of DOE nuclear  
19 activities, and I believe on an incremental basis kind of  
20 step by step, I said it's a house that will be built brick  
21 by brick. I think we will end up with more involvement.

22 Commissioner McGaffigan, and I don't want to take  
23 anything away from what he might say, because he has worked  
24 very closely with me on these issues, pointed out a number  
25 of activities which I could delineate, but I'm going to let

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1 him do it, where we already are involved. So let me give  
2 the microphone to him.

3 COMMISSIONER MCGAFFIGAN: Just very briefly, and  
4 the Commission is united on this, we don't want to leave  
5 those arguments of dubious validity standing any more than  
6 you do. There are still people in the Congress who support  
7 this concept. Witness the action of the House Science  
8 Committee a few weeks ago. But the Chairman is exactly  
9 right, when the Agency is opposed and significant other  
10 entities, the Senate Appropriations Committee had expressed  
11 in its report that it's no longer interested, we're not  
12 going to get the legislation passed anytime soon.

13 I do think that the arguments fairly laid out are  
14 fairly compelling, and sort of the Chairman talked about the  
15 interaction we had when we did the DSI, the fairly  
16 overwhelming public endorsement of our involvement which at  
17 that time corresponded with Secretary O'Leary's and Under  
18 Secretary Grumbly's views and former Chairman Hearn's views  
19 and lots of folks' views.

20 I think every new Secretary of Energy will have  
21 this issue before them, as Secretary Richardson did, and I  
22 cannot predict that every future Secretary of Energy will  
23 make the same choice that he made not to go down this

24 course. And in any case we will have left a record that I  
25 think debunks many of these arguments of dubious validity

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1 for the record when that day does come.

2 CHAIRMAN JACKSON: An additional commentary I  
3 might make on your question is this. It's kind of like a  
4 response in a certain sense to questions people often pose  
5 to me about when and/or if I believe or if and/or when I  
6 believe there will ever be another new nuclear plant built  
7 in this country. And I talk about the shakeout in the  
8 electric utility industry, blah blah blah.

9 I believe that there's a lot of examination at the  
10 moment of DOE and what it is and what it might be and what  
11 needs to happen with its various constituent pieces, and I  
12 would argue that as that's going on, there will be  
13 discussions about oversight in various arenas, but until  
14 that plays out also I think we won't know where we might  
15 come out with regard to a more specific answer to your  
16 question.

17 COMMISSIONER DICUS: I'd like if I could just to  
18 add a little bit, and then I think he has another question.  
19 But I didn't address this this morning. But based upon my  
20 experience, when I was on USEC's board of directors, and  
21 more recently the four months that I did spent at the Safety  
22 Board, where I got to know DOE facilities a lot better,  
23 there's no doubt in my mind that they would all benefit from  
24 NRC involvement. There clearly are problems, and I think  
25 we're definitely the best agency to deal with those problems

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1 across the board.

2 I think in the separate report that we are sending  
3 to Congress I think the staff has done an excellent job of  
4 identifying and addressing overarching issues together with  
5 some of the generic issues. I think it's well within our  
6 framework to be able to deal with those. And all that part  
7 I'm truly in lockstep with my fellow Commissioners.

8 I do depart in two areas, however, and I'm very  
9 concerned that -- and this again is based upon my experience  
10 at USEC and to some extent the Safety Board -- that we must  
11 keep in mind that the three pilots we did are fundamentally  
12 typical DOE facilities, and we're very, very, very close to  
13 what we would be typically regulating.

14 Should we go and should it happen, and I don't  
15 have a crystal ball, but the range and broader types of DOE  
16 facilities I do have concerns about the ease and the costs  
17 and whether we are underestimating in that area. Otherwise,  
18 I agree with my Commissioners.

19 VOICE: Well, actually I don't have another  
20 question, but just a follow-on to your comment, Ms.  
21 Chairman, and that is that my question I guess in part was  
22 inspired by the fact that, as you pointed out or alluded to,  
23 there have been a number of attacks on DOE recently from a  
24 number of quarters, from different directions actually, and  
25 it therefore may not be viewed as favorably in terms of

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1 being able to manage its own affairs, as might have been the  
2 case when the Appropriations Committee or whatever came out  
3 with its favorable ruling in their direction so I was just  
4 curious as to whether or not you thought things had  
5 progressed enough now to change things or whether it was  
6 going to take even more time.

7 Certainly, you know, Chairman Richardson or  
8 Secretary Richardson rather is a temporary employee, a  
9 little more permanent than maybe you are --

10 CHAIRMAN JACKSON: No, he's probably more  
11 temporary than I am.

12 [Laughter.]

13 CHAIRMAN JACKSON: I have been here four plus  
14 years.

15 VOICE: People come and go in the department, as  
16 you know, in any agency and Administrations change, and you  
17 know, things could change, that's all.

18 CHAIRMAN JACKSON: I mean I understand the point  
19 you are making. I think a lot of what drives any support  
20 for an idea like this rests in two places. One has to do  
21 with the leadership of the given department or agency at the  
22 time and the persistence of that policy perspective, but the  
23 second has to do with the view of the Congress in terms of  
24 the particular department or agency and how it is doing and  
25 how it manages itself, and so I think we will just have to

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1 see.

2 Any other question? Then I think we will try to  
3 wrap up after this.

4 MR. HALL: Chairman Jackson?

5 CHAIRMAN JACKSON: Okay.

6 MR. HALL: This is a follow-up to the question on  
7 the amount of resources expended for this meeting. This was  
8 submitted anonymously. I am just the messenger.

9 [Laughter.]

10 MR. HALL: The Commission noted that the purpose  
11 of this meeting is to foster communication with the Staff.  
12 At this meeting this has been accomplished. We appreciate  
13 the candid and thoughtful responses to the questions.

14 COMMISSIONER MERRIFIELD: Thank you.

15 CHAIRMAN JACKSON: Thank you. Whoever anonymously  
16 said that should have stood up and said it and -- but it is  
17 fruitful for us. I mean it's not a one-way street. I think  
18 what's the beauty of these meetings is that it does allow us  
19 to get very direct input. However sharp the questions may  
20 be, I think it is important that we hear them and that we  
21 try to respond. Yes?

22 VOICE: Again, thank you for expressing your  
23 concerns today and addressing our questions.

24 My question deals with the agency's IT software  
25 and database applications. Currently it seems our policy

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1 has been to allow contractors to do the majority of the  
2 work, and I agree this is a good policy for very large  
3 systems like ADAMS, but a lot of the systems on the Staff  
4 level that are very small and we have to adopt this policy  
5 it seems very costly and timely to go through contractors  
6 and get things done and also -- we are also just maintaining  
7 inadequate systems, antiquated systems by this policy.

8 What would you say or your comments of allowing  
9 Staff to use some of the very current and off-the-shelf  
10 applications such as databases and things where we can  
11 maintain them, design them, and run them on the Staff level  
12 and have more control over them?

13 CHAIRMAN JACKSON: Well, I think that they are in  
14 a situation -- I appreciate that question. I think in a  
15 situation like that involving the use and implementation of

16 information technology, be it software or hardware, there  
17 always is a balance between allowing and having the  
18 flexibility available to the Staff to do what it needs to do  
19 to accomplish its work and to be able to manage the systems  
20 that way, on the one side, but on the other not having such  
21 a proliferation of systems and/or customization of systems  
22 to the point that no one can understand them or make use of  
23 them or access them but the given group of individuals.

24 In addition, where we are trying to go with ADAMS  
25 is to be able to establish and make use of standardized

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1 databases that allow us all to sing from the same page in  
2 areas where we need to do that, but nonetheless have the  
3 flexibility built in for people to make use of the system  
4 for their own needs.

5 Then the final comment I would make is that  
6 whatever we do, I mean information technology is a tool and  
7 it is meant to facilitate our being able to do our jobs and  
8 again, you know, I think this is something that the CIO in  
9 particular has to grapple with but the CIO working with the  
10 EDO through, you know, their efforts really have to give  
11 attention to it, but what we don't want to go back to is  
12 everybody having his own customized system that nobody else  
13 understands but that group and that things are very  
14 proprietary, because a big part of the overall planning  
15 methodology that we have embarked on is to have a more  
16 integrated approach and allows us to have a better sense not  
17 only of how the different activities weave together in order  
18 to achieve certain outcomes, but to have the best use of  
19 resources that we can.

20 So in a certain sense I am not arguing or  
21 suggesting that we may go back to exactly what people may  
22 have thought was ideal in the past. At the same time we are  
23 not trying to handcuff people to keep them from doing their  
24 jobs and so I think it is something that the CIO needs to  
25 deal with, and then Mr. Reiter, coming in, has actually had

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1 the experience of managing any number of projects in very  
2 technical organizations where these sorts of issues have to  
3 be dealt with not only on a planning basis but on a  
4 day-to-day basis, and so I think as he and Mr. Galante  
5 effect their transition that he will be able to address a  
6 number of these concerns.

7 Okay. This is the last one, but we can't let this  
8 gentleman not ask his next question.

9 MR. COLLINS: I am still David Collins and I am  
10 still from Region II.

11 [Laughter.]

12 MR. COLLINS: I am sorry you tromped on my toes,  
13 very sorry, because what I about to tell you is going to be  
14 very disquieting to you.

15 I work daily with a tracking system that simply  
16 logs data and gives it back to me in seven or eight  
17 different forms, written in now obsolete program language  
18 which is no longer supported by the system. After it was  
19 written, it ran for about three years. It had minor  
20 problems which never got fixed, and along comes OCIO who  
21 says, okay, folks, now you have to pay for it, so we put in  
22 a request to get the system fixed and got told that it was  
23 of such a low priority that it was not going to happen

24 The system failed utterly and miserably the first  
25 part of this year. It is still broken. We are doing

1 manually today what we did with a computer system one year  
2 ago. It's no fun and we have no way of replacing it and we  
3 have no assistance to replace it.

4 Where do we go from here?

5 CHAIRMAN JACKSON: Well, the way you go from here  
6 is that in fact that needs to be elevated through the EDO's  
7 attention, which I am sure you have just done, even in this  
8 meeting.

9 [Laughter.]

10 CHAIRMAN JACKSON: He has to work that issue with  
11 the CIO, but there are going to be systems that are -- that  
12 will become obsolete for various reasons and will not  
13 necessarily continue to be supported, but that happens in  
14 general in an information technology environment.

15 However, having said that, the way any transition  
16 occurs where one migrates from one system being supported to  
17 another, should not be where your ability to do your job  
18 just drops off the map, and so that is something we need to  
19 take a look at.

20 MR. COLLINS: Thank you, ma'am. That is what we  
21 have been saying for the last six months.

22 CHAIRMAN JACKSON: Well, but now you have me  
23 sitting here with the EDO and you have the Commission and  
24 all these witnesses.

25 MR. COLLINS: Yes, ma'am.

1 [Laughter.]

2 CHAIRMAN JACKSON: Great. Well, thank you very  
3 much. This has been a great session and we appreciate your  
4 interest and your patience.

5 [Applause.]

6 [Whereupon, at 3:55 p.m., the meeting was  
7 concluded.]

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