

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION
3 OFFICE OF THE SECRETARY
4 ***

5 NRC ALL EMPLOYEE MEETING
6
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8 Nuclear Regulatory Commission
9 One White Flint North
10 Green Plaza Area
11 11555 Rockville Pike
12 Rockville, Maryland
13

14 Wednesday, June 21, 2000

15 The Commission met in open session, pursuant to
16 notice, at 10:30 a.m., the Honorable RICHARD A. MESERVE,
17 Chairman of the Commission, presiding.

18 COMMISSIONERS PRESENT:

- 19 RICHARD A. MESERVE, CHAIRMAN
- 20 GRETA J. DICUS, Member of the Commission
- 21 NILS J. DIAZ, Member of the Commission
- 22 EDWARD McGAFFIGAN, JR., Member of the Commission
- 23 JEFFREY S. MERRIFIELD, Member of the Commission

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1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE
2 PATRICIA NORRY
3 KAREN VALLOCK
4 STU RIDER
5 GREGG HATCHETT
6 SALLY ADAMS
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[10:30 a.m.]

MS. NORRY: Good morning. For those of you who are standing, there are lots of seats down front, and the Commissioners have said that they are not that intimidating, so it's okay to sit down front.

I'd like to say good morning, and to welcome all of you to this 9th All Hands Meeting with the Staff and the Commission. With the exception of 1993, we've done these every year since 1991.

We have, in addition to Headquarters, we have the Regions who are viewing this on video. We have TTC also viewing on video, and the remote sites who are coming in by audio.

After the Chairman makes his remarks, there will be time for questions. There are microphones placed throughout the tent for those questions.

In addition, we handed out question cards. If you have those and you would prefer to write your question, just pass it into one of the Staff, and we'll give it to the people who will be reading the questions.

And these questions, as well as those that have been phoned in from the Regions, will be read by our two volunteers this morning. Where are our volunteers? Oh, they're behind the curtain, okay.

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1 So I'd like to introduce Karen Vallock from NMSS,
2 and Gregg Hatchet from NRR, who have volunteered to read the
3 questions, thank you.

4 I'd also like to acknowledge that there are
5 officials of the National Treasury Employees Union here with
6 us today; as well, Bill Travers, the EDO; Jesse Funch is the
7 CFO, and Stu Rider, the Acting CIO.

8 Questions pertaining to labor relations, personnel
9 policies and practices, are better addressed through the
10 Agency Partnership process, and we will make sure, through
11 the Agency Partnership, that we address any such questions
12 that you may have.

13 And now I'd like to introduce Chairman Meserve and
14 turn the meeting over to him.

15 [Applause.]

16 CHAIRMAN MESERVE: Thank you, Pat. Good morning
17 and welcome to this special meeting of the Commission with
18 the NRC staff. As you know, these All Employees meetings
19 have been held annually since 1991, when former Chairman
20 Ivan Sellon held the first such meeting shortly after he
21 assumed the responsibilities of the NRC Chairman.

22 Then as now, these sessions are intended to
23 facilitate communication between the Commission and the
24 Staff, and to provide the Commission with an opportunity to
25 learn firsthand, of your views, questions, and concerns.

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1 Joining me on the platform today are my
2 colleagues, Greta Dicus, Nils Diaz, Ed McGaffigan, and
3 Jeffrey Merrifield, all of whom have participated in prior
4 All Employees meetings. I'm the new kid on the block.

5 However, I am not the latest appointment to the
6 Commission, although I am sure that all of you have seen the
7 recent announcement, I want to reiterate here, the best news
8 we have had in some time. Ed McGaffigan will be serving a
9 second five-year term as a Commissioner.

10 [Applause.]

11 CHAIRMAN MESERVE: I had the pleasure of swearing
12 him in, in a brief ceremony last week. I am confident that
13 Ed already knows this, but I want to say on behalf of all of
14 my Commission colleagues, how delighted we are to have Ed
15 with us, and how much we look forward to the fact that we
16 continue to work with him.

17 I believe that all of you in this audience are
18 more familiar with these proceedings than I am. I
19 understand our format today is the same as that used in the
20 past. Following my opening remarks, the Commission will
21 entertain questions from NRC employees here in the tent, as
22 well as from employees in our Regional Offices, Technical
23 Training Center in Chattanooga, the Public Document Room,
24 and at Resident Inspector Offices throughout the country.

25 I welcome all of you at our remote sites to this
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1 meeting. This meeting is as much for you as it is for your
2 fellow employees here on the Green.

3 Finally, I want to note that although we have been
4 thoroughly downsized and have seen many familiar faces
5 retire in recent years, we are still not small enough to fit
6 into one tent at the same time, thank goodness. We will
7 have a second session of this meeting this afternoon.

8 One of the first things I was told about the All
9 Employees Meeting, was that it was traditional for the
10 Chairman to deliver some remarks, and then to sit back and
11 take an avalanche of questions from 2800 employees on any
12 subject whatsoever.

13 My first reaction was that I had suddenly been
14 thrust into the position of the disoriented javelin
15 competitor who somehow won the coin toss and elected to
16 receive.

17 [Laughter.]

18 CHAIRMAN MESERVE: As a former practicing
19 attorney, it was quite natural for me to employ my best
20 evasions, but no avail. Ms. Norry was determined that I
21 would make an excellent javelin competitor, and warmed to
22 the prospect so enthusiastically that she even volunteered
23 to introduce me.

24 I am sure all of you noticed how cheerfully she
25 played her part, and then promptly sat down out of harm's
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1 way.

2 [Laughter.]

3 CHAIRMAN MESERVE: My fellow Commissioners were so
4 moved by my predicament that they rose as one to assure me
5 that they would also be here and would do their best to
6 catch some of the flaming arrows as they went in our
7 direction. As always, I am grateful for their support.

8 I want to talk to you about where we are today as
9 an agency, where we are headed in the future, and what we
10 have to do to get there.

11 I will discuss some very familiar things, but I
12 want to approach them with you from a somewhat different
13 perspective. I also intend to be brief, on that the theory
14 that the best remarks have a good beginning and a good
15 ending, with not too much distance in between.

16 The theme of the last several All Employees
17 Meetings has been about the changing environment in which
18 the NRC must operate, and with very good reason.

19 In my view, the NRC is facing unprecedented change
20 that poses many concurrent challenges. As you are aware, we
21 are in the middle of a significant restructuring of the
22 utility industry, which is premised on the view that the
23 industry of the future should be governed more by free
24 market principles and less by regulation.

25 The process began in New Hampshire in May of 1996

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1 when a few New Hampshire customers won the right to bypass
2 their monopoly power supplier and buy electricity from any
3 company.

4 Today in a growing number of states, the
5 competitive market determines the price of electricity, and
6 thus profitability for all forms of electricity generation
7 is dependent on achieving economically efficient operations.

8 There is, of course, little doubt that where
9 genuine competition is possible, the processes provide an
10 economically more efficient regulatory system than
11 administrative processes.

12 In response to the opportunities offered by price
13 deregulation, individual utilities either began to divest
14 themselves of their nuclear plants, or pursued mergers,
15 sometimes with foreign partners, to place themselves in a
16 more competitive position in the new, deregulated
17 environment.

18 The difficulty for the NRC in this context is that
19 while market forces do promote economic efficiency, they do
20 not necessarily protect the public interest in such areas as
21 health and safety and environmental protection, in other
22 words, in those areas of importance to society that are
23 non-economic in nature.

24 These areas are traditionally the province of
25 government, and, consequently, the NRC must continue to be
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1 vigilant in demanding safe operations from its licensees,
2 and ensure that pressures to reduce costs do not become
3 incentives to cut corners on safety.

4 The point I want to make here is that the
5 appropriate balance between the play of free market forces
6 and government intervention through regulation is still
7 being defined, may not reach a steady state for some time to
8 come, and will depend on the continuing good performance of
9 the industry, as well as the effectiveness of NRC's
10 regulatory program.

11 The conclusion I draw from this is that we can
12 expect to see more changes among our licensees, to which the
13 NRC will need to respond.

14 A second area of change affecting all of you is a
15 fundamental shift in the regulatory philosophy that has
16 governed NRC programs. All of you are familiar with these
17 changes, so I need not go into great detail here.

18 In essence, we have shifted our regulatory
19 thinking from a regime based on conservative engineering
20 assumptions to a risk-informed, performance-based approach
21 that focuses our regulatory attention on the areas of
22 greatest risk.

23 In implementing this new philosophy, we have begun
24 to revise our regulations to make them more risk-informed,
25 and have, as all of you know, implemented the Revised

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1 Reactor Oversight Process.

2 While we have great confidence in the
3 risk-informed approach to regulation, I recognize that we
4 have only limited experience with it in practice. All
5 regulatory regimes need to be monitored and modified to
6 ensure, as far as possible, that they are providing optimal
7 regulation, balancing public interest and opportunities for
8 greater efficiency.

9 I would thus urge both Headquarters and Regional
10 personnel to critique these new programs as they unfold.
11 The Commission is relying on you to provide the necessary
12 guidance as to whether we are, indeed, on the right track.

13 There also has been a fundamental change in the
14 political environment in the past few decades which also
15 requires adjustment by the NRC. Public attitudes about the
16 appropriate size, performance, and role of government are
17 now quite different from those that prevailed at the time
18 the NRC was created.

19 Public suspicion and distrust of government,
20 always an undercurrent in American political thinking,
21 emerged as a prevailing public attitude during the 1960s and
22 1970s, spurred largely by the Vietnam War, but perhaps also,
23 in part, by the accident at Three Mile Island.

24 This change in public attitude, still quite
25 strong, produced basic support for the notion that

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1 government should be smaller, less intrusive, more
2 efficient, managed on business principles, and less costly.
3 As a result, downsizing, reinventing government,
4 outcome-based planning, and other similar concepts were
5 applied to government operations in the final two decades of
6 the 20th Century.

7 But applying prevailing business methods to
8 government objectives is often difficult, because Government
9 is required to pursue objectives like protection of public
10 health and safety that have no unambiguous bottom-line
11 economic measures. Our goals and our success in achieving
12 them are thus difficult to quantify.

13 One of the adverse impacts of the general trend to
14 smaller government is reflected in our budget. In constant
15 dollar terms, we have been in steady decline for seven
16 years, and we hope to hold the line this year.

17 Nonetheless, our budget is an area of great
18 uncertainty. We may not have bottomed out yet, although I
19 certainly hope so.

20 Finally, I could hardly discuss changes affecting
21 the NRC without mentioning computer-driven technology. I
22 suspect that former employees of a decade ago, knowledgeable
23 and experienced though they were in the functions of the
24 NRC, might find themselves totally dysfunctional in the new
25 technological environment of the so-called paperless office.

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1 Nonetheless, like all the other changes I have
2 described today, the computer-driven revolution can produce
3 potentially significant problems.

4 For example, within our own Agency, it is has been
5 clear that computer technology is an indispensable
6 underpinning for everything we do, yet we must take the time
7 to ensure that specific applications of computer technology
8 are serving the purposes intended for them.

9 At present, the NRC is engaged in evaluating the
10 operational effectiveness of the ADAMS system. In response
11 to my memorandum of May 22nd, every NRC office identified
12 the specific problems they have encountered with ADAMS, and
13 submitted their responses to my office.

14 The CIO is developing an action plan to address
15 these concerns. Our objective is to make ADAMS easier for
16 you to use.

17 I want to assure you that the Commission is aware
18 of the frustrations and difficulties that all of these
19 multiple, overlapping changes are causing.

20 We are trying to mitigate the adverse impacts to
21 the extent possible. All of us on this platform know full
22 well that the strength and reputation of any organization is
23 ultimately determined by the quality, experience, and
24 dedication of its employees.

25 I am sure I can speak for all of my colleagues on
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1 the Commission in saying that you have no greater advocates
2 anywhere than the five of us.

3 I also want to acknowledge that our excellent
4 reputation as a federal agency has been forged by the
5 collective efforts of every member of the NRC Staff,
6 including our technical, legal, and administrative people.

7 In a time of accelerating change, we need to treat
8 each other with mutual respect, and work closely together to
9 address the important challenges that lie ahead.

10 The NRC is not now, nor has it ever been defined
11 by one office or one type of employee. The NRC is all of
12 us, acting together to protect the public health and safety.

13 I'm sure by now that I have exhausted your
14 patience. I would like to conclude with some good news and
15 some bad news:

16 The bad news is that whatever the future may hold
17 for us, we are all going to spend the rest of our lives in
18 it.

19 [Laughter.]

20 CHAIRMAN MESERVE: The good news is that the
21 future comes one day at a time, giving us time to prepare
22 for the future and to adjust to it.

23 Now, let me turn the meeting over to you. Each of
24 you seeking to ask a question should use one of the
25 microphones so that everyone can hear.

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1 I also want to ensure that we provide ample
2 opportunity for employees at our remote sites to participate
3 fully. So I'll try to take about one out of three questions
4 from these remote sites.

5 Let me start with a question from someone here in
6 the Green. May I have the first question?

7 [No response.]

8 CHAIRMAN MESERVE: Well this has been a very
9 pleasant meeting, thank you.

10 [Laughter.]

11 CHAIRMAN MESERVE: Karen, do you have a question?

12 MS. VALLOCK: Yes, I do. With the continued
13 pressures to decrease the size of government, should we
14 expect a major reorganization or structural changes in the
15 next two to three years?

16 CHAIRMAN MESERVE: My personal view is that we
17 should not. I think that we have been able to hold the line
18 on our budget in this year, and we will be -- my personal
19 view is that the Agency is fully engaged, perhaps even
20 over-engaged at the moment to deal with a wide variety of
21 issues that are keeping our staff stretched thin.

22 So I think that the Commission's effort is, I am
23 confident, going to be to hold the line on the budget and on
24 the staffing of the Agency.

25 I would not anticipate that over the next several

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1 years that we will have any pressures on us to reorganize in
2 a major way.

3 Let me turn my colleagues. They may have some
4 views.

5 COMMISSIONER McGAFFIGAN: I just want to echo
6 that, and point to another piece of good news, namely that
7 the House Appropriations Committee did support our budget.
8 As they did the previous year, they complimented the entire
9 Commission and every staff member here for the
10 accomplishments.

11 I think their view on Capitol Hill at the moment
12 is that we are an Agency that is really facing unprecedented
13 change, but with unprecedented accomplishments to go with
14 it.

15 As long as we keep producing, I think the pressure
16 will be off on the sort of structural changes that might
17 come with much lower budgets.

18 CHAIRMAN MESERVE: Is there another question?

19 AUDIENCE PARTICIPANT: I hope it's not a stupid
20 question. When will the NRC authorize electronic signatures
21 on NRC documents going to the public, as well as documents
22 coming from the public to the Agency?

23 These documents could pertain to technical issues,
24 as well as business transactions.

25 CHAIRMAN MESERVE: I'm not in a position to be

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1 able to respond to that question. I'm afraid that we may
2 have to get back to you later, I'm sorry.

3 Do any of my colleagues have any knowledge in that
4 area?

5 COMMISSIONER MERRIFIELD: Very little
6 understanding of that subject, except that I think the issue
7 of electronic signatures is one that the Government, as a
8 whole, is grappling with, and we're going to have to deal
9 with our counterparts.

10 CHAIRMAN MESERVE: Stu Rider, the Acting CIO can
11 maybe be in a position to respond.

12 MR. RIDER: We currently have a program in place
13 called EIE, or Electronic Information Exchange, and the
14 technology behind EIE is the concept of digital signatures.

15 And the difference between that and what you
16 currently see in E-mail is that there is an assurance that
17 the document that you receive is from the person or the
18 organization that sent it to you.

19 We've been piloting this for several months now,
20 and it will also require some changes to our procedures. To
21 date, we have received documents from three nuclear power
22 plants, and we're refining procedures and moving that along.

23 We're initially working with the power side of the
24 NRC, and after that we'll be dealing with the materials
25 side.

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1 CHAIRMAN MESERVE: Questions? Gregg, do you have
2 a question from the Regions?

3 MR. HATCHETT: Yes. This question is a two-part
4 question. And the question is, with the Agency committed to
5 ADAMS, when do you foresee improvements coming to fruition
6 to make this system truly efficient, and user-friendly?

7 And, secondarily, what lessons learned from the
8 ADAMS experience will be factored into StarFire
9 implementation?

10 [Laughter.]

11 CHAIRMAN MESERVE: I'm surprised to have a
12 question on ADAMS.

13 [Laughter.]

14 CHAIRMAN MESERVE: As I think all of you know, we
15 sent out a -- my Office sent out a request to the entirety
16 of the Agency to collect basically the range of concerns
17 that people had with ADAMS, the problems that they were
18 confronting.

19 Those have all been circulated, and they will be
20 available for all of you to see the collective input that we
21 received. We have tasked the staff to develop an action
22 plan to respond to those concerns.

23 There is a steering committee that is being led by
24 the Chief Information Officer, but will include
25 representatives from throughout the Agency. It is

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1 developing an action plan to respond to the various
2 concerns.

3 Now, that action plan will cover not only what
4 steps to take, but will include a timeline within which we
5 will respond. That action plan is due to be submitted to
6 the Commission on July 21st.

7 So I think that we'll be in a better position to
8 be able to respond to exactly how we're going to address
9 these various issues associated with ADAMS, and the time
10 within which we'll be able to do it, once the action plan is
11 received.

12 Let me add, however, that the Commission is fully
13 conscious of the concerns that people have with ADAMS. And
14 we are committed to addressing those concerns. We do not
15 want to have the ADAMS system serve as a barrier to your
16 being able to complete your work effectively, and we are
17 committed to what we can to try to solve the problems.

18 The second question had to do with StarFire, and I
19 think that there is a lesson learned from ADAMS that we will
20 be applying to StarFire, which is to make sure that we have
21 our arms around all of the potential problems associated
22 with it before we go out for Agency-wide implementation.

23 And that we recognize that it would be enormously
24 challenging for you to have to deal simultaneously with
25 problem in ADAMS, along with possible problems that might

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1 arise with StarFire.

2 And it is our intention to go slow on the
3 Agency-wide implementation of StarFire to make sure that the
4 bugs have been worked out and that you're not the guinea
5 pigs in the implementation process.

6 AUDIENCE PARTICIPANT: My question is, how would
7 you rate the public's confidence in the Agency right now,
8 and why do you rate it that way, and what, if any, measures
9 is the Agency taking to ensure that the confidence either
10 stays where it is, if you think it's where it should be, or
11 that it's improved?

12 CHAIRMAN MESERVE: We don't have any truly
13 systematic way in which we can -- we've been collecting that
14 information. So, my impressions are obviously somewhat
15 anecdotal as to what the perceptions are of the Agency.

16 As Commissioner McGaffigan has just indicated, we
17 were clearly perceived on Capital Hill several years ago as
18 an agency that needed to have some discipline imposed upon
19 it.

20 And I think that we have definitely turned the
21 corner in the way we are viewed on Capitol Hill; that we
22 receive favorable comment about the various activities that
23 we've received, and as Commissioner McGaffigan has
24 indicated, the budget that we had sought and submitted to
25 the Congress appears to be en route to being passed by the

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1 Congress without any reduction.

2 So, to the extent that the Congress is reflecting
3 the attitude of the informed public, we're getting a
4 favorable reaction.

5 I think that it is essential in all of our
6 operations, however, that we be fully available to the
7 public, and that we cannot do things in a way that does not
8 engage the public fully.

9 The reason is that anything that we were to do, if
10 we were to try to do something behind closed doors, there
11 would be fear that something inappropriate was being done.
12 In the modern world, we have to be prepared to work in the
13 open, to confront issues openly, to explain, openly, exactly
14 why we've made our decisions, and be able to defend them.

15 That is something, certainly, that the Commission
16 is dedicated to, and I think that all of you in your work
17 must be aware of the fact that interactions with the public
18 is a very important component of our efforts here.

19 COMMISSIONER MERRIFIELD: Mr. Chairman, I may add
20 to that. All of us on the Commission, whether it is through
21 our meetings here in Washington with various stakeholders,
22 both collectively and individually, as well as some of us
23 who have the opportunity to travel outside of Washington and
24 meet with various stakeholders, I think uniformly, although
25 individual stakeholders may quibble about an individual

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1 position taken by the Commission, I think the level, at
2 least from my part, the level of comments that I've received
3 over the last year has indicated a stronger support for the
4 Staff, and the fact that we are working diligently to
5 accomplish a number of goals.

6 A lot of credit has been given across the board by
7 the hard work that we have been doing, and the
8 accommodations we have been making to try to incorporate the
9 views of the public, wherever they may sit.

10 So there are some other ways, I think, subtly,
11 that we as Commissioners are able to go out and engage and
12 take the temperature of the various public constituencies
13 which we try to respond to.

14 And as I said, overall, I think those reports have
15 been on the upswing.

16 COMMISSIONER DICUS: Let me add just a little bit
17 to that as well. Unfortunately, or fortunately, whichever
18 way you want to look at it, the NRC unfortunately, with most
19 of the public, is probably a well-kept secret.

20 And we don't get -- we frequently do not get
21 noticed unless there's a problem. I think with the sort of
22 outreach programs that I think we have going, and trying to
23 really involve the public and try to make ourselves very
24 accessible, particularly through our website or any other
25 ways that Commissioner Merrifield was talking about, when we

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1 do go out, we try to engage the public, and try to make the
2 aware we exist and what we do, and that we're not part of
3 DOE, and that they can begin to understand that.

4 So I think we can continue to make ourselves a
5 little bit better known. I know we've been told our website
6 is very good, and the way we deal with the public is certain
7 improving and getting better.

8 So I think it's a good question, but we've got
9 some work to do. One of them is to try to be sure that
10 people know we exist and what we do.

11 COMMISSIONER DIAZ: I might just make a comment
12 that, you know, the answer to a question sometimes is very
13 important. In the past three years that I have been here,
14 there was always kind of a question that goes not to the
15 public confidence, but the confidence on how the Commission
16 was working together.

17 The fact that it has not been asked is a very good
18 omen. But since it's not been asked, I might as well
19 address it.

20 [Laughter.]

21 COMMISSIONER DIAZ: I think you should know that
22 the Commission is working better together, and that we are
23 working -- we have learned to take our little problems and
24 work them out.

25 And I think the Staff probably knows and felt that
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1 this process is more harmonious, it is more applied to the
2 staff, we are responsive. We have become as a Commission
3 and a staff, more accountable.

4 I think that process is ongoing, and I think it's
5 going to get better.

6 [Applause.]

7 COMMISSIONER MERRIFIELD: I would want to go on
8 record as agreeing with Commissioner Diaz.

9 [Laughter.]

10 COMMISSIONER DIAZ: That might be a first.

11 [Laughter.]

12 COMMISSIONER McGAFFIGAN: I will only note that
13 with two lawyers on the Commission, lawyer jokes have gone
14 up.

15 [Laughter.]

16 COMMISSIONER McGAFFIGAN: I even have Nils doing
17 them now, too.

18 [Laughter.]

19 CHAIRMAN MESERVE: Another question? Gregg, do we
20 have one from the Regions?

21 MR. HATCHETT: This Regional question is, again, a
22 two-part question. Inspection resources at the Region and
23 especially at the sites with inspectors are at a premium,
24 and the administrative requirements seem to be increasing
25 with the new program.

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1 Why is consideration being given to reduce the
2 number of persons in the Region in FY 2002, and will the cut
3 the Regions sustain be proportionally less than that of
4 Headquarters because of the previously mentioned shortage?

5 CHAIRMAN MESERVE: Let me say that with regard to
6 the inspection issue, obviously we have launched a new
7 oversight program. That program was not intended, and, I
8 don't believe, has resulted in any aggregate reduction in
9 inspection resources.

10 They may be just deployed in a somewhat different
11 fashion than they have in the past. But in this interim
12 period, the level of activity that is inspection-related has
13 been maintained as a constant, although maybe focused
14 somewhat differently, certainly focused somewhat
15 differently.

16 So that to the extent the question is asked, have
17 we reduced inspection resources over this period, the answer
18 is no. We will be doing and the staff will be preparing a
19 full evaluation of the first year of implementation of the
20 new oversight program.

21 We'll be submitting a report to the Commission in
22 June of 2001. Among the issues that that report will
23 address is whether the scale of the inspection resources is
24 appropriate, whether it's appropriately deployed, and a
25 whole variety of other questions that are raised and will be

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1 raised as we get more experience with the oversight program.
2 So that this is something that is certainly a work
3 in progress. This is very much on my mind and my remarks
4 when I said this is an area on which the Commission needs
5 and appreciates input from staff as to what is working and
6 what isn't working. We want to make sure that the new
7 oversight program is one that will achieve the objectives
8 that we've sought.

9 And your guidance in that process is going to be
10 extraordinarily important to us as we deal with the issues
11 as they are raised.

12 With regard to the Fiscal Year 2002 budget and the
13 staffing that comes out of it, that is very much something
14 that is now under consideration, first by my Office. My
15 colleagues have not yet had a crack at looking at the Fiscal
16 Year 2002 budget, so it's very much premature to make any
17 comments about what staffing allocations might arise out of
18 that process.

19 Certainly there have been no decisions made by the
20 Commission, by anyone on the Commission on that issue.

21 Other questions?

22 AUDIENCE PARTICIPANT: As you know, there has been
23 a lot in the news lately about Los Alamos security problems
24 and the fires at Los Alamos. And I'm curious as to whether
25 you foresee any implications on NRC's possible external

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1 regulation of DOE as a result of this issue?

2 CHAIRMAN MESERVE: Let me say that security issues
3 are ones that I think would be unique to DOE in any event.
4 They would not turn to us, would not see us as having the
5 responsibility. I don't think anyone in government would
6 see us as having responsibility for the protection of
7 weapons-related information.

8 Obviously, to the extent we have information that
9 bears on that, we have important responsibilities. But that
10 particular problem having to do with the hard drives, I
11 would be surprised if anyone would think of the NRC in the
12 forefront of being the agency that would have responsibility
13 for that.

14 It is, in fact, of course, the case that Congress
15 created a new agency within DOE, the National Nuclear
16 Security Agency, that has a new head, that has
17 responsibilities specifically for this area.

18 But they have not yet had opportunity to get
19 themselves fully up and running, and the person was just
20 basically confirmed by the Senate who is going to head that
21 agency, so they really haven't had an opportunity to have
22 their shot at trying to deal with what are obviously some
23 serious problems at DOE in dealing with this area.

24 With regard to the fires, I mean, there have been
25 impacts of that. There obviously have been radiological

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1 concerns associated with the fires.

2 That may well be a factor that would be on
3 people's minds as to the general issue of the external
4 regulation of DOE. One of the aspects of that problem that
5 has been something that Congress has been concerned about is
6 basically the question of whether it's appropriate to have
7 DOE regulate itself in the operation of its facilities.

8 And the concern about that has been wide from time
9 to time. There have been expressions of interest in whether
10 the NRC might take over a regulatory role for the various
11 DOE facilities.

12 My impression is that, although there was an
13 interest in a Secretary of Energy a few back, Hazel O'Leary,
14 in having external regulation, that this is something that
15 the current Secretary very much opposes.

16 It would clearly be a very major task if we were
17 to undertake the responsibility of regulating the DOE
18 facilities. The Commission has testified before Congress
19 about the need.

20 If they were to ask us to do it, that we would
21 need to do it in some appropriate, phased-in way, but that
22 we couldn't just assume all that responsibility all at one
23 time and in the short term.

24 We did say, however, that we felt that were
25 capable of doing it, and if the Congress were to decide we

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1 should do it, that we, of course, would fulfill the task.

2 Other questions? Karen, do you have a question?

3 MS. VALLOCK: Yes. Noting that we should not
4 promote the nuclear industry, what are the keys to improving
5 public confidence, and should we seek out opportunities to
6 make presentations about the NRC, what it is, what we do?

7 CHAIRMAN MESERVE: Well, I think that Commissioner
8 Dicus really gave a response which I view is appropriate,
9 that the NRC is not widely understood, not widely known
10 outside the small community, and that it is appropriate for
11 us to make sure that people are aware of what our role and
12 responsibilities are, and how we do our job, and that if
13 there is an opportunity for a Commissioner or member of the
14 staff to help in the public understanding in that area, we
15 should definitely take that opportunity.

16 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I might
17 add that I think that it's really important. We've been
18 getting fairly good response from the publics that are near
19 our nuclear power plants to the new reactor oversight
20 process.

21 I think the public meetings that we're having at
22 each site have been going reasonably well, and we've been
23 getting really good press coverage.

24 I think it's important that the folks at the sites
25 get out, the Resident Inspectors. I have been told by the

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1 EDO that it's not part of their performance evaluation, but
2 that they get to talk to Kiwanis Clubs and Rotary Clubs and
3 make it known that they are there.

4 I think it's -- we're fairly unique among nuclear
5 regulators in the world in having Resident Inspectors. And
6 I was talking with Mr. Riccio yesterday after the Commission
7 meeting, and as one member of the public, he put a fair
8 amount of emphasis on the fact that we have Resident
9 Inspectors, and he knows that they're there, and he knows
10 that -- he has more -- it wasn't necessarily good for me,
11 but he has more confidence in the Residents than he has in
12 us, because he knows their families are sitting in that EPZ,
13 and they're dedicated to making sure that that plant is in
14 good shape.

15 But I think that the fact that the Residents are
16 there -- Mr. Beecher sent a memo sometime ago.

17 I talked to Region IV staff sometime ago,
18 encouraging folks to, at levels far below ourselves, to make
19 their presence known and to explain what their role is. I
20 think it engenders public confidence, especially when that
21 is covered by the local media, as it would be.

22 In a small media market, the fact that there is a
23 Resident there and that he's helping to protect public
24 health and safety is news. In a major media market like New
25 York or Los Angeles, you just can't get that coverage.

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1 COMMISSIONER MERRIFIELD: Mr. Chairman, I would
2 make an additional comment. I think I have said this on a
3 couple of occasions previously, but I think sometimes we are
4 the Maytag repairmen of federal regulatory agencies.

5 We sit quietly and wait until something happens to
6 be called on. Part of that, I think, lingers from the fact
7 of our history of having been split from what became DOE in
8 1975, 25 years ago, in a decision that we would avoid at all
9 peril, anything that even came close to being perceived as
10 promotional.

11 I think what has resulted sometimes is that we
12 have overs-shot the mark. I think we can do a -- my
13 personal opinion is that I think we can do a better job.

14 Although our website, for example, has many -- has
15 won awards and many plaudits, I think we can do more. I
16 know that the CIO is engaged in an effort in meeting with a
17 number of people to try to improve the way that we have that
18 set out, so that it can be a greater tool for our public to
19 understand us, and for students to use that website. I
20 think that's very positive.

21 I also personally think that on occasions, for
22 example, when spent fuel storage casks are referred to as
23 mobile Chernobyl's, I think we have an obligation not to sit
24 on our hands or our opinions, and, in fact, provide true
25 factual information to the public about why we -- how we

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1 regulate those casks, and why we believe they're safe.

2 And so from my standpoint, I think we need to
3 evaluate how we present ourselves as an agency to make sure
4 that we are providing factual, accurate information to the
5 public about how nuclear plants work, how we regulate
6 nuclear materials, and why we believe that our regulatory
7 structure is safe and in the interests of the American
8 people.

9 CHAIRMAN MESERVE: Another question?

10 COMMISSIONER MCGAFFIGAN: The Regionals.

11 MR. HATCHETT: Given the changes in Europe with
12 the European Commission moving to international consensus
13 and other standards, and the likely adoption of these
14 international requirements and guidance by other countries
15 as well, does the Commission plan to increase the resource
16 level dedicated to increasing international interface and
17 more active participation in international venues?

18 CHAIRMAN MESERVE: I'm really not in a position to
19 give a Commission perspective on that. We obviously have,
20 with regard to international standards, that is, obviously
21 thinking about how we our regulatory system should interface
22 with the international standards is something that we are
23 confronting.

24 We have a Part 71 rulemaking that is a
25 transportation standard that is now before the Commission

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1 for action, which is basically presenting the question of
2 how our standards should relate to the international
3 standards governing the transport of materials, and raises
4 the issue of the extent to which we should seek to comply,
5 or whether there are areas in which we do not come into
6 conformance.

7 So that is -- I think that we will be confronting
8 that issue on a case-by-case basis, as there are
9 international standards the Commission will have to confront
10 in a rulemaking context, and whether we should change our
11 regulatory standards to come into conformance, and if not,
12 why not?

13 So that we'll be confronting those and are
14 confronting those on a case-by-case basis, and are seeing
15 them right now in the instance of Part 71.

16 On the general issue about our international
17 efforts, I think that there is -- it's not a matter that the
18 Commission has had to -- has grappled with, as to what
19 exactly the appropriate focus of the efforts should be.

20 Let me say that I think that we all do share the
21 view that we have a stake here in the International safety
22 of nuclear activities, and an accident anywhere in the world
23 will have repercussions for the United States and for our
24 licensees and for us.

25 And that the Commission has for a long time been

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1 dedicated to trying, within resource constraints, to assure
2 safety of nuclear activities anywhere in the world, not only
3 because that's of humanitarian interest, but, quite frankly,
4 it's in our domestic interest to try to forestall accidents
5 as best we can by making sure that there is adequate focus
6 on safety in various international activities.

7 CHAIRMAN MESERVE: Let me turn to my colleagues.

8 COMMISSIONER McGAFFIGAN: I might add that I think
9 that we do need to stay heavily engaged with international
10 standards bodies. The Chairman mentioned the ST-1 standard,
11 we need to stay engaged with the IAEA as they work on the
12 next generation of transportation standards. We are engaged
13 with ICRP and we are engaged with other international
14 bodies. So, I think if the resources are drying up for
15 that, that would be a mistake.

16 We also are trying to stay in touch with domestic
17 standard bodies, and there was an initiative that Ed Jordan
18 spearheaded a few years ago, and I think it is still very
19 much alive, where we are going to try to leverage domestic
20 standards bodies as we are told to do by the National
21 Technology Transfer Act of 1995.

22 In general, I think that we would do well, outside
23 of the standards issues, to try to stay abreast of best
24 practices abroad and best regulatory practices abroad, and
25 do that in a systematic way. I have said that, we are going

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1 to have a meeting I think in August with international
2 programs. There is an international council that involves,
3 I think Janice Dunlevy chairs and it involves the program
4 offices. And we have been trying to encourage the staff to
5 stay abreast of what is happening overseas, because it does
6 impact us and I hate reading about some important item in
7 Nucleonics Week that I wish I had heard about otherwise.

8 So, having an engaged staff that is keeping us
9 abreast of what is happening in Europe, what is happening in
10 Japan, what is happening in Korea, et cetera, is important.
11 If the Japanese -- I would posit if the Japanese had done
12 that aggressively, they would not have had a fuel cycle
13 regulatory program that was so far off what we and the
14 Europeans do in the way of regulating fuel cycle facilities.

15 We may have gaps, I hope we don't, compared to
16 foreign regulators, but the only way we are going to find
17 out if we have gaps is to stay engaged with the foreign
18 regulators in an aggressive fashion.

19 COMMISSIONER DIAZ: Just a short comment, I think
20 the question raises a broad issue. In many ways we are
21 reexamining all our activities, and I know that in the past
22 we have said we are not going to do like ICRP says, and we
23 are going to stick to some of the things that we have
24 established.

25 There is a new world out there, and I think one of
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1 the things that we probably will be facing is, how do all of
2 these activities impact not only externally but internally
3 what we do?

4 So, I think it is a very valid question to say
5 where are we going to be with interview activities? I am
6 sure the Commission and the staff will be looking at it.

7 CHAIRMAN MESERVE: Greg, do you have another
8 question from the region?

9 MR. HATCHETT: Yes. This regional question reads
10 as follows: With the increase in the number of Agreement
11 States, how does the Commission envision continuing to
12 provide the kind of policy and technical leadership needed
13 in the materials safety arena, that is, as the cost of this
14 vital function is spread out over fewer and fewer NRC
15 licensees?

16 CHAIRMAN MESERVE: Well, that raises an important
17 issue. We have a situation where there are now 31 Agreement
18 States, and we may soon have 35, and who knows how many
19 more. And that, obviously, as each state comes forward and
20 becomes an Agreement State, the licensees that we were
21 regulating then become the responsibility of the relevant
22 state, so that, basically, the foundation for our regulatory
23 activities in licensing is getting smaller and smaller. And
24 that presents a challenge for us in the materials area.

25 I think that it is going to remain essential for

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1 the Commission to have a strong program in materials, and
2 that we are, basically, the baseline against which the
3 Agreement States measure themselves. We have
4 responsibilities in Section 274 of the Atomic Energy Act to
5 engage in some oversight related activities with respect to
6 Agreement States, so that we can assure that they are
7 fulfilling the responsibilities that Congress has allowed
8 them to assume.

9 So, we are in a situation where we have statutory
10 obligations that we have to fill. We have basically a
11 policy obligation that we are filling, and I am sure will
12 continue to fill with regard to how materials should be
13 regulated. The Agreement States look to us for important
14 guidance in that area. So, I think that we will have, and
15 will have to have a continuing, strong engagement by the
16 Commission in the materials area.

17 Now, exactly how we are going to do this in a time
18 of limiting, more reduced number of materials licensees is
19 something with which the Commission is going to have to
20 grapple over the next several years, and I don't have a
21 solution for you today.

22 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I might
23 add that the budget issue, we at least have some hope on. I
24 think the single largest category of items that have been
25 identified by the Commission over the last five or six years

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1 as raising fairness and equity issues is the subsidy of the
2 Agreement State Program, and that subsidy will grow as the
3 number of Agreement States grows.

4 But we have for the first time, in this year's
5 budget, proposed to take over a five-year period 10 percent
6 of our budget off the fee base and put it into the general
7 fund where these items like the Agreement State subsidy to
8 provide the national program belong.

9 And I think we are getting a mixed message from
10 the Congress on that thus far. The Senate has passed a
11 measure that would, I think, go actually to 12 percent over
12 six years, of our funds off the fee base, and the House thus
13 far has not acted on the matter, and it will be resolved
14 later this year perhaps, the first 2 percent between the
15 House and the Senate.

16 But at least it is the Administration's policy
17 now, and it has long been the Commission's policy that this
18 issue of the budget fairness has to be addressed. If we can
19 address the budget fairness issue, then I think we can
20 preserve a national program. If we don't address the budget
21 fairness issue over the coming five or six years, then I
22 think the pressure will be there to trim our program in ways
23 that I will feel uncomfortable with, just as the Chairman
24 will feel, and I think the whole Commission would feel
25 uncomfortable with.

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1 But we are very much in the fight, and we
2 recognize -- it was one of the things, I think, that
3 motivated all of us to vote to get these items off of the
4 fee base.

5 CHAIRMAN MESERVE: Questions? Karen, do you have
6 another?

7 MS. VALLOCK: Yes. It is a two part question.
8 Does the Commission believe that telecommuting is an
9 effective means of fostering employee morale and
10 productivity? If so, what is being done to encourage
11 greater agency participation in telecommuting?

12 CHAIRMAN MESERVE: Let me say on that issue that I
13 think that probably you need to look at the individual job
14 and what the responsibilities are to be able to sort out how
15 telecommuting fits into the meaning of the obligations. And
16 I don't think it is an issue that lends itself to a generic
17 answer. I believe that this is an issue that is up for
18 discussion in the partnership context, and in due course, I
19 am sure will be a matter that will be worked out there.

20 Greg, do we have another question from the region?

21 MR. HATCHETT: Yes. This is a two part question.
22 How do you view the role and approach of NEI? What advice
23 do you have for the staff in seeking and weighing the input
24 of our various stakeholders?

25 CHAIRMAN MESERVE: Let me say that my personal

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1 view, and I think I expressed this in response to an earlier
2 question, is that our regulatory program and our overall
3 activities work best if we are open to all input, that we
4 get as much information as we can, that we weight that
5 information, and that we reach our decisions in a way that
6 we explain ourselves publicly as to how we have resolved
7 issues the way we have.

8 It is obviously critically important in that
9 context that we hear from the regulated community and that
10 they obviously have a stake in what we do, that they can
11 provide advice and input to us as we go forward, and that
12 that is an important input for us, and is one that is to be
13 encouraged.

14 It is equally important that we be as open to
15 input from others, and that this process has got to be one
16 in which everyone has the same opportunity to let their
17 views be known to us, that we have to be even-handed in the
18 way we deal with stakeholders so we get this input and
19 advice from all quarters, not just NEI, but from critics or
20 whomever has an input that we should consider and weigh.

21 Let me turn to my colleagues and see if they have
22 any additions.

23 COMMISSIONER MERRIFIELD: I think, Mr. Chairman, I
24 would say one thing, and it was going to the second part of
25 the question on input from stakeholders. I will relate an
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1 issue that was brought up at our last stakeholder meeting.
2 There was a concern raised, and I have heard this in other
3 venues as well, there was a concern raised that we are
4 having meetings outside of Washington. The staff will go to
5 an individual plant site or will be meeting in a town hall
6 or some other location with the public, and we will be
7 taking all of this information in. We will be getting all
8 of these comments from our stakeholders, and when there is
9 an effort on the part of the stakeholders to try to engage,
10 you know, try to get an answer to a question or get some
11 kind of a reaction from some of our folks, there is not a
12 response.

13 The people I spoke to relative to this were very
14 frustrated. They would like us, even if we don't agree with
15 them, they would like us to at least -- they would like the
16 staff to respond.

17 I don't have a very good answer to that, and there
18 may be some policy decision on the part of the Commission in
19 that regard. But there is a frustration sometimes among
20 members of the public that we are not answering questions or
21 we are not interacting in these meetings.

22 From my own personal standpoint, I think there is
23 some usefulness to having some of that interaction. I think
24 it creates greater stakeholder buy-in and it leaves the
25 impression with the stakeholders that we are actively

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1 engaged in listening to what they say and responding to it.
2 But, obviously, I understand the balance, and that is not
3 always appropriate, given the nature of the audiences which
4 staff have to deal with.

5 But I thought I would relate that as one
6 observation that had been related to me.

7 CHAIRMAN MESERVE: Karen, do you have another
8 question?

9 MS. VALLOCK: Yes. This in a way relates to the
10 question that was just addressed. It says, in light of our
11 increased efforts at openness, why are utility drop-in
12 visits with the Commission closed to the public?

13 CHAIRMAN MESERVE: Well, the utility drop-in
14 visits are generally courtesy calls where people come by to
15 see individual Commissioners. And let me just say that,
16 typically, the interaction is one where they will describe
17 events that are underway at the plant that may not be of
18 regulatory significance, but talking about the capacity
19 factors and how they are doing, and what their future plans
20 are, what their expectations are on the economic side with
21 price deregulation may be occurring, issues of that nature.

22 But these, the important point is that this
23 accessibility that we have to licensees for matters that are
24 not before the Commission for decision is one that is an
25 opportunity for any stakeholder, and that many of us, I am

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1 sure all of us, meet on occasions not only with licensees,
2 but with any group that seeks an opportunity to come and
3 talk with us about matters that are within their concern.
4 So this is not an area in which the Commission has been
5 one-handed or one-sided in the way it deals with these
6 issues, that we, basically, as part of the openness, makes
7 ourselves accessible to people who want to come and talk to
8 us about our business.

9 COMMISSIONER McGAFFIGAN: I just might add, I
10 can't conceive of doing my job by having every meeting that
11 I have be an open meeting. And I don't think that there is
12 any reasonable interpretation of any law that would require
13 that every meeting that a person has with the stakeholder be
14 open. I have had -- I meet with licensees privately, I meet
15 with Dan Gutman of PACE privately to continue our
16 interesting conversations that we do in public.

17 But we have to be able to function, as the staff
18 does, without every single meeting that they have, every
19 phone call being tapped, and every conversation being
20 recorded. You know, it would be a total waste of resources
21 for the vast majority of these meetings to have somebody
22 there recording it for posterity and having -- I think we
23 would quickly disabuse the press if they had any interest in
24 our private meetings. But you just can't do that, it just
25 -- it is nonsensical to require every meeting with every

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1 single Commissioner to be an open meeting.

2 COMMISSIONER MERRIFIELD: Yeah, I want to
3 underscore the comments of both the Chairman and
4 Commissioner McGaffigan. The fact is, for my part, I have
5 an open door. I will meet with anyone who seeks to meet
6 with me. And a variety of people from all over the place
7 have chose to do that. And so, if there is an impression
8 out there that we only meet with licensees, I think that is
9 highly inaccurate.

10 These meetings are very helpful. It is an
11 opportunity for the Commissioners to learn and to get candid
12 insights, be it from David Lochbaum, Ralph Beedle, or a
13 member of an Indian tribe. And I agree with Commissioner
14 McGaffigan, we would not be as valuable in serving the
15 interests of the American people, in fulfilling the wishes
16 of the President and Congress of being the best
17 Commissioners that we can be if we don't have access to the
18 information from a variety of sources in a candid context.

19 COMMISSIONER DIAZ: Ditto.

20 CHAIRMAN MESERVE: Karen, do you have another
21 question?

22 MS. VALLOCK: Yes. Do you expect to offer early
23 outs this calendar year?

24 CHAIRMAN MESERVE: I can't comment on that.

25 Karen, do you have another question, or is there

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1 any other questions here? Please, if you -- if there are
2 any questions. I don't mean to be discouraging them, I am
3 just not seeing anybody lined up at the microphone. So, we
4 would welcome questions from the floor.

5 AUDIENCE PARTICIPANT: I have a question. I keep
6 reading about Presidential initiatives to lure additionally
7 qualified information technology people into the government.
8 And in this agency in particular, I am unaware of any
9 particular incentives that are being offered to improve the
10 knowledgeability of managers and staff about information
11 technology. Are there any kinds of programs being
12 considered to offer such incentives and to improve our
13 knowledgeability in that area?

14 CHAIRMAN MESERVE: I can't speak specifically to
15 the IT area, but let me just say that the Commission, the
16 functioning of this agency is completely dependent on the
17 quality and dedication of our staff. And it is in all of
18 our interests to attract the best people we can as employees
19 and to keep them happy, wanting to stay here at the NRC.

20 And so this is an area that I think all of us are
21 conscious of in the budget process, in particular, of
22 examining, making sure there are opportunities to make this
23 a worker-friendly place across the board, that we have need
24 for maintaining the very quality of the people that are here
25 now and we want to perpetuate that into the future.

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1 Now, there are obvious constraints that are placed
2 upon us and that there are limitations on things that we can
3 do as a result of federal law. There are limitations, for
4 example, on salaries and we do the best we can within the
5 constraints of the budget and the constraints of the law to
6 make this a place where people want to work. That is
7 something that is important to all of the five of us.

8 COMMISSIONER McGAFFIGAN: Mr. Chairman, I just
9 might add that I do think, again, I will broaden it way
10 beyond IT, I think there is a looming crisis in government
11 that people are paying attention to. The new head of GAO is
12 calling some attention to it, and that is, there is a whole
13 generation of folks who came into government, perhaps many
14 in response to John Kennedy's call, and it is much harder
15 today, and that generation is going to retire, whether it is
16 early-out or not, sometime soon. I mean, you know, in the
17 next 10 years, looking around this room at the amount of
18 gray hair, and mine is getting pretty gray, there will be
19 fewer and fewer -- I think a third of the agency can retire
20 today and half of the agency or more within 10 years will be
21 eligible for retirement.

22 And we are not unique, NASA has the problem, DOE
23 has the problem. Department of Defense has the problem.
24 And I think that this looming crisis, we don't deal very
25 well with crises in advance in government, but sometime in

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1 the next decade, I think there will have to be legislation
2 passed that will deal with this.

3 Young lawyers straight out of law school I think
4 make what EDOs and Commissioners make nowadays, and it is
5 not uncommon --

6 COMMISSIONER MERRIFIELD: Just so it clear, first
7 year associates in D.C. law firms make more than
8 Commissioners.

9 COMMISSIONER McGAFFIGAN: Make more than
10 Commissioners and EDOs. It is just striking, and I will
11 speak as a former Congressional staffer, the single biggest
12 problem is the Congress' unwillingness to pay itself, which
13 caps everything. And if Congress were to pay itself a
14 salary, I mean they themselves, Congress is getting paid
15 what first year associates in large D.C. law firms get paid.
16 I just find that astounding that they value themselves only
17 at that level.

18 So, someday we have to address the pay issue, and
19 at least we have to address it for scientists and engineers
20 and information technologists in government, where we face a
21 looming crisis.

22 CHAIRMAN MESERVE: Other questions? Karen?

23 MS. VALLOCK: It has come to our attention that
24 the evolving role of secretaries at the NRC is listed as a
25 topic to be discussed at a future ALMPC meeting. An article

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1 on the same subject appeared in the Washington Post on May
2 11th, 2000. In summary, the article stated that sweeping
3 changes in information technology have not only reduced the
4 government's need for secretaries and clerks, but also
5 changed the nature of their work. What information can you
6 provide on this subject, and what do you see as the future
7 of secretaries at NRC?

8 CHAIRMAN MESERVE: I can't comment very
9 knowledgeably about the details of that. It is apparent
10 from my own observations, and I am sure from all of you,
11 that if you look over a period of a decade, certainly, that
12 there have been very striking changes in the allocation of
13 roles in offices. With advent of computer technology, the
14 role of secretaries and office assistants is very much
15 changed.

16 In my former employment at a law firm, when I
17 first went to work there, there was basically a relationship
18 of one lawyer to a single secretary, everyone had their own
19 secretary. As word processing came in and information
20 technology came on, that changed. So that now the
21 fundamental relationship is three to one, there are three
22 lawyers to one secretary. That meant that a lot of the word
23 processing tasks and drafting was done by the lawyer on his
24 machine, and I am sure many of you have that same experience
25 where, over time, where once you might have composed in

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1 longhand, probably most of you compose on the typewriter --
2 excuse me, on the computer. I am showing my age.

3 So, I mean, the reality is throughout, I think,
4 the economy, the office environment has changed and relevant
5 roles and responsibilities of the people who work in the
6 office has changed. And the NRC certainly is not immune to
7 those changes.

8 What all the implications are and where that is
9 headed is something I don't know how to foresee, but it is
10 clearly a reality.

11 COMMISSIONER MERRIFIELD: I would add, Mr.
12 Chairman, that -- and I think we talked about this in the
13 last meeting on the green that we had last year, about sort
14 of self-help efforts, trying to bring, you know. We have --
15 the individuals who are secretaries at this agency are a
16 valuable and trusted component of our workforce, and
17 regardless of how this agency changes, I think, for own
18 part, I think to the extent we can use the available
19 resources for training and for helping those individuals
20 whose jobs may shift, to evolve so they can continue to
21 contribute and be a member of this workforce into the
22 future, irrespective of how information technology changes
23 any of our jobs.

24 CHAIRMAN MESERVE: That is a very important point
25 that I should have said, is that I think it is incumbent

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1 upon all of us to respond to this changing world and to make
2 sure that the training and opportunities are available so
3 that as jobs change, that people have the opportunities that
4 arise from those changes to, hopefully, find a way to make
5 their job more satisfactory.

6 Greg, do you have a question?

7 MR. HATCHETT: Yes. NRC regulated facilities have
8 always been authorized to admit emit some amount of
9 radiation through air and water pathways, provided that Part
10 20 emissions and dose standards are met. Why do you think
11 the agency has encountered such strong resistance to similar
12 approaches with respect to the clearance rule, as well as
13 the below regulatory concern issued several years ago?

14 CHAIRMAN MESERVE: Well, that is an interesting
15 question. I think that, and I can give my impressions,
16 which may not be accurate. It became apparent to me as we
17 reviewed various of the correspondence that we had gotten on
18 the issue of what I will call the clearance rule, the
19 question calls the clearance rule, that there was not an
20 appreciation among the people who had written to us of the
21 fact that, on a case-by-case basis, we have long been
22 releasing materials that are not cleaned up to zero level of
23 contamination, on a case-by-case basis, but, of course, with
24 appropriate constraints that have been imposed by way of a
25 license condition.

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1 There was, I think, a view of some of those who
2 were writing us is that this was not an issue the Commission
3 had ever faced before, and in thinking about a rule, we were
4 opening an opportunity for the release of material that had
5 not existed in the past.

6 I don't think that there was an awareness either
7 of many who wrote us about the fact that there are various
8 release limits that are incorporated in Part 20 of our
9 regulations.

10 And let me say that the fact that we have release
11 limits, and the fact that we have, on a case-by-case basis,
12 are not requiring that something necessarily be brought to
13 background is hardly a situation that is unique to the NRC.
14 As a matter of setting air emission standards more
15 generally, as a matter of setting releases to water through
16 permitted discharges generally, as a matter of setting
17 clean-up standards for the clean-up of contaminated sites,
18 EPA, for example, sets limits, and those limits aren't at
19 background, they aren't at zero. They set them at limits
20 that are ones that are believed to provide adequate
21 protection of the public health and safety.

22 So, our approach to this is hardly anything that
23 is unique to us or in any way unusual to the way
24 environmental statutes are customarily applied in the United
25 States.

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1 I don't think there was an awareness of these
2 facts by many of the people who were corresponding with us
3 on this issue. And I think that we are, I will call it the
4 victim of the fact that there is an intense fear of
5 radiation, of radiation issues among many of the public. My
6 personal view is that much of that is based on an
7 educational problem that we have in the United States. But,
8 in any event, there is an intense fear and there was a
9 notion that, although it is scientifically the case that
10 releases at low levels may not pose any significant risk of
11 harm, that there was a view of many that were writing to us
12 at least, that we should not allow any release.

13 I don't think it reflected any awareness of what
14 we do in Part 20 or any particular sensitivity to how
15 environmental statutes are enforced by other agencies.

16 Karen, do you have another question?

17 MS. VALLOCK: Yes, I do. This is a two part
18 question, three parts actually. The Commission has certain
19 strategic goals such as no increase in exposure and no
20 inadvertent criticality. To what extent are these goals
21 based on public perception and to what extent are they based
22 on real world consequences? The next part is, how are these
23 goals impacted by the move to risk-informed regulation? Are
24 any policy changes anticipated as a result of the Tokimora
25 event?

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1 CHAIRMAN MESERVE: Well, there are several
2 questions there. Let me say that I think that the key point
3 here is the fact that a goal -- what a goal is, is that it
4 is a target, it is an aspirational limit, and it would be
5 fully appropriate for us to set goals or targets that are
6 and are perceived to be something that we would very much
7 aspire to achieve, but which, on occasion, we may fail to
8 do. They are not limits, they are targets that we set for
9 ourselves. And the idea that we would set -- the notion
10 that there should be zero criticalities or zero fatalities,
11 or zero undue exposures reflects the fact this is something
12 that we would all like to achieve.

13 The question is whether the -- therefore, I do not
14 believe that as we go to a risk-informed regulatory system
15 that our aspirations will change. I think this is
16 something, these are goals that we will still seek to
17 achieve regardless of the structure and nature of our
18 regulatory system.

19 With regard to the question as to Tokimora, the
20 Commission has had a briefing on that issue, precisely on
21 the point about whether there are lessons to be learned from
22 this event that have impact on our own regulatory system.
23 And the fundamental conclusion was that many of the
24 causative factors associated with the Tokimora event were
25 ones that we believe we have well in hand in the United

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1 States.

2 We did also have the benefit of a self-assessment
3 that had been undertaken of the industry to go and look at
4 their practices, and they are making some changes in the way
5 they do business as a result of that activity, although it
6 is not one that necessitated any change in our regulatory
7 approaches.

8 So, one of the responses that we have had to the
9 Tokimora incident was to look at it closely and I think
10 appropriately examine whether there are implications for
11 that event for our own regulation of similar facilities here
12 in the United States.

13 Any more questions from the floor?

14 [No response.]

15 CHAIRMAN MESERVE: Karen, do you have another?

16 MS. VALLOCK: Yes, I do.

17 CHAIRMAN MESERVE: The regions are more
18 inquisitive than the headquarters staff.

19 MS. VALLOCK: Well, actually, these are
20 headquarters questions. These are headquarters questions.

21 CHAIRMAN MESERVE: The headquarters staff is
22 bashful.

23 MS. VALLOCK: And this question actually pertains
24 to the large amount of questions from the headquarters. The
25 "Ask the Chairman" articles in the News, Reviews and

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1 Comments provided a way for the staff to get direct comments
2 from the Chairman. Would you consider an "Ask the
3 Commission" column? The assignment to provide answers could
4 rotate between Commissioners?

5 CHAIRMAN MESERVE: I can't speak for my
6 colleagues, but I am an advocate of openness in all its
7 various manifestations and that certainly would include the
8 capacity to communicate and respond to questions from the
9 NRC staff. I would be happy to do it.

10 COMMISSIONER MERRIFIELD: I will do it.

11 COMMISSIONER McGAFFIGAN: Could somebody give us
12 the history of when it was suspended and why? It sounds
13 like it has been done in the past. It has.

14 CHAIRMAN MESERVE: We will take that question as a
15 suggestion. It will be easy to respond to.

16 Greg, do you have a question?

17 MR. HATCHETT: Yes. Does the Commission see
18 breaking the deadlock with EPA over decommissioning and
19 waste standards any time soon?

20 COMMISSIONER DIAZ: Define "soon."

21 MR. HATCHETT: That depends on what the definition
22 of "is" means or whatever.

23 At some point will a compromise solution be sought
24 to avoid prolonging the debate?

25 CHAIRMAN MESERVE: We have the debate with EPA

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1 that relies on the same fundamental issue, it arises in two
2 different contexts. We have an issue with them as to the
3 decommissioning of sites. As a general matter is when we
4 have a rule that specifies how we decommission sites and set
5 certain standards that are to be met for unrestricted
6 release. And, obviously, we have a counterpart proposed
7 rule dealing with Yucca Mountain.

8 EPA has differences with us with respect to both
9 contexts, and they raise the same issue in both, the same
10 issues. One issue, and in my view the easier to deal with
11 is the question of what the appropriate dose limit is. And
12 we, of course, have proposed a 25 millirem per year dose
13 limit and EPA is an advocate of 15 millirems per year.

14 I think that that may well prove to be an issue
15 that, at least in the decommissioning context, we may find a
16 way to be able to reconcile our differences with EPA.

17 The harder issue, and the one that is the more
18 intractable to deal with is the issue of groundwater
19 standards. EPA has a separate limit that it would establish
20 for groundwater, which is a limit that it draws from the
21 Safe Drinking Water Act, and that is the 4 millirem standard
22 for gamma and beta emitters.

23 That is a problem for us on many levels. It is a
24 problem in that the NRC, all of the international regulatory
25 agencies, the National Academy of Sciences, would not see

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1 the need for a separate groundwater standard when you have
2 an all pathways standard that already includes groundwater.
3 You get a dose, it doesn't make any difference whether you
4 get it from groundwater, or from air, or from soil, or
5 what-have-you, you have the does and you need to deal with
6 it, and that is encompassed within the general all pathways
7 standard that we have.

8 Even passing that, there would be a question as to
9 the 4 millirem number. As I think all of you know, that is
10 a number that is well within the normal fluctuation of
11 background in this country. We all get about a 300 millirem
12 does. And 4 millirems is completely invisible in the
13 variability that just exists naturally. It about the dose
14 that one might get on a transcontinental flight, for
15 example.

16 And the final problem we have with EPA is the
17 particular methodology that they apply in the exercise of
18 their dose limit, as they use basically a scientific
19 procedure that was developed in the 1960s and a rule that
20 was developed in the 1970s. There has been a change in the
21 international understanding of the -- and domestic
22 understanding of the effects of these various isotopes,
23 which widely changes the dose conversion factors that
24 applies, so the risk is different.

25 EPA has insisted to date in using this old

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1 dosimetry which is clearly not scientifically current. So
2 we have a whole series of questions with EPA on this issue,
3 all of which are problems, and, unfortunately, at the
4 moment, this seems to be a matter of theology, on which it
5 is difficult to reach an accommodation.

6 So, I think that is a very tough issue, and the
7 question for us, to reach a resolution with EPA. We have
8 committed to interact with EPA on these issues and are doing
9 it. And we will see what the future brings. If we fail to
10 interact, this may be an area in which it is appropriate for
11 the Congress, if we fail to succeed in reaching a
12 resolution, this may be an area in which it will be
13 appropriate for the Congress to intervene to basically
14 resolve the issue.

15 COMMISSIONER MERRIFIELD: Mr. Chairman, it is
16 probabilistic inappropriate for you to say this, but I would
17 say that I think the Chairman is to be commended for making
18 a hard, strong and sincere effort to engage with the
19 administrator of the EPA and various other individuals at
20 that agency to try to resolve this problem. I think the
21 Chairman has taken this on as a personal commitment, and,
22 again, I think he is to be commended. Unfortunately, his
23 efforts have not been fully responded to at EPA, but I think
24 he really is trying to put this issue to bed.

25 CHAIRMAN MESERVE: Do you have more questions?

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1 MS. VALLOCK: Yes, I do, and Greg, do you have
2 one?

3 CHAIRMAN MESERVE: Karen, why don't you go ahead.

4 MS. VALLOCK: Okay. In 1998, the Office of
5 Inspector General, Safety Culture and Climate Survey results
6 were published. Shortly after, Mal Knapp, as deputy EDO,
7 developed an action plan to address the major issues from
8 the survey. Since Dr. Knapp has retired, who now is
9 responsible for implementing that action plan and what is
10 its status?

11 CHAIRMAN MESERVE: I am not familiar with the
12 details of that. Certainly, I am sure, following the
13 general responsibilities of the EDO, to make sure that we
14 follow through on action plans, that would be his
15 responsibility to assure that as staff move to different
16 positions or leave the agency, that any responsibilities
17 they have are appropriately assigned to others.

18 I can't respond on the details of that particular,
19 whether there are particular open issues there that people
20 within the EDO's staff are working on.

21 Greg, do you have any more questions?

22 MR. HATCHETT: Last one. Is the Commission
23 satisfied with the process that encourages employees and the
24 public to raise allegations to focus on safety issues?

25 CHAIRMAN MESERVE: Well, let me say that I think

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1 that all of us on the Commission view the allegation process
2 as one that is a singularly important process, that we get
3 important insights. We want to make sure that if there are
4 issues that are ones that should be addressed, that people
5 feel free to step forward and to raise them with us. And
6 that I think all of us are committed to making sure that
7 that can happen and can happen in a fashion that is free
8 from harassment and intimidation. And that is a high
9 priority for all of us.

10 And we are all conscious of issues that arise from
11 time to time where there may be barriers to having that
12 occur. And if they were to occur, that I am sure we all are
13 committed to making sure that people feel comfortable in
14 raising allegations.

15 COMMISSIONER McGAFFIGAN: Mr. Chairman, I
16 encourage the use of the DPO and DPV process in this agency
17 for our own employees. People who have used the process
18 have had effects on Commission policy. I can think of a
19 person in Region IV who questioned the need to off-load
20 trucks in Salt Lake City or trains in Salt Lake City, put
21 things in trucks in order to get around a limit that we
22 eventually found didn't make any sense.

23 There were -- Ses Copeland made a contribution as
24 he was leaving with regard to -- he is retired now, but with
25 regard to the materials program. The folks who commented on
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1 the Part 40, one of the Part 40 papers, their DPV was
2 attached, and I think they testified at the Commission
3 meeting, and I think they made a real contribution to the
4 process.

5 So there's a whole host of folks who make -- I
6 don't always agree with everybody who exercises the DPO/DPV
7 process, but if it needs to be exercised, it should be
8 exercised, and we appreciate people giving us alternate
9 points of view with which we can grapple. I personally
10 appreciate it.

11 CHAIRMAN MESERVE: I think that we have reached
12 the end of our appointed time. We very much appreciate --
13 they were very interesting questions and I hope that we have
14 adequately responded to them.

15 I would like to thank you all very much.

16 [Applause.]

17 [Whereupon, at 11:52 a.m., the meeting was
18 concluded.]
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