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

October 12, 1988

OFFICE OF THE
SECRETARY

MEMORANDUM FOR: Victor Stello, Jr.
Executive Director for Operations
FROM: Samuel J. Chilk, Secretary
SUBJECT: LSS ADMINISTRATOR

This responds to your memorandum, subject as above, dated October 3, 1988, in which you requested SECY views on the LSS Administrator memorandum from Mr. Olmstead to Mr. Stello, dated September 28, 1988.

SECY appreciates the opportunity to comment on the recommendation from the LSS Negotiating Team given our inability to fully participate due to the relocation of the PDR. While Betsy Shelburne of my staff could not attend the meetings, we were kept informed about the progress of the deliberations. We have reviewed the Negotiating Team's memorandum which recommends the establishment of a separate office of the LSS Administrator reporting to the Commission through GPA. This follows the proposals we offered in our August 24, 1988 comments to Bill McDonald. Therefore, we would be remiss if we didn't support the establishment of a new office or non-concurred in its reporting channel to the Commission through GPA.

To place SECY's recommendations in context and to address the concerns of the other participants as reflected in the attachments to Mr. Olmstead's paper, we offer the following additional thoughts concerning the LSS program as it pertains to (1) the reporting chain of the LSS Administrator's office, and (2) the selection of the NRC representative on the LSS Advisory Panel and the Chair of the NRC Internal Steering Committee.

(1) Office of the LSS Administrator

SECY concurs in the establishment of a separate office for the LSS Administrator. Although not non-concurring in designating GPA as a reporting channel to the Commission, SECY continues to strongly support its original recommendation that the

Administrator report directly to the Chairman's office. This determination would meet the criteria established by the Negotiating Team, especially criterion 2, 3, and 4. Licensing the HLW facilities is one of the most important tasks, undertaken by the Commission since it was established in 1975. It is to be supported by an ambitious automation program which will be a monumental effort of national importance and visibility. This program should receive the highest priority and best resources of the Commission. To publicly acknowledge the importance of this effort and to provide positive leadership as well as direct access to senior management, the LSS Administrator should report to the Chairman's office. This would expedite decision making, align priorities at the outset of the program, resolve conflicts quickly, eliminate fuzzy vision and endless coordination. I believe this organization arrangement is fully consistent with the operational responsibility of the Chairman of the Commission as clarified by the Commission in May 1988. The Chairman's staff should be increased to supervise this program. If at a later date experience indicates that direct supervision by the Chairman's office is unnecessary the placement of the Administrator's office can be reevaluated.

(2) Selection of the NRC Representative on the LSS Advisory Panel and the Chair of the NRC Internal Steering Committee

As we now see it there are two, possibly three, phases to the development and operation of the LSS. All of them should be focused on the timely and effective review of DOE's license application.

Phase I consisted of drafting, coordinating and approving changes to 10 CFR, e.g., negotiated Part 2 rulemaking. This phase, which is almost complete has been chaired by a representative of OGC which is the office of primary interest.

Phase II, which is starting, involves the design, development and testing of the system by DOE. This is an extremely important phase for NRC. During this phase NRC will specify its basic and critical functional requirements to DOE and will attempt to ensure that these are properly accommodated in the system design. If the system is not designed properly with careful attention to the needs of the users, e.g., Boards, attorneys, and the public, to retrieve data, then it will fail in the primary reason for its existence which is to assist the agency in completing the licensing action of the HLW facility in three years following submission of the application by DOE.

In this phase conflicting priorities and basic differences in focus and philosophy will surface. All parties are interested in an efficient and workable system but each would arguably resolve problems somewhat differently. User needs, costs, the use of the LSS as the records management system for DOE and NMSS, the integration of NUDOCS and the LSS, and other competing interests are vying for principal consideration in the design and development of the system. If a prioritization of competing interests is needed, it must be done in this phase. SECY places primary emphasis on the design of a discovery and litigation system which will maximize and simplify the retrievability of data. For this reason we consider that the Boards have the primary interest in this phase and should chair the internal NRC effort (Steering Committee). They have the primary responsibility to manage the hearings process in a way that will enable NRC to meet its Congressional mandate. While issues of cost, the use of the LSS as a records management system, and any concerns about the integration of NUDOCS and the LSS are important, in our view they are secondary to the needs of the adjudicatory and discovery process.

Phase III is the LSS Operational Phase which begins after the LSS is fully developed, tested, accepted, and operated for a time under NRC direction. At that time, consideration should be given to transferring the Chair of the Steering Committee possibly to ARM as the Office of primary interest because of their familiarity with operating automated systems and their organizational infrastructure.

The Chairman of the Internal Steering Committee should be the same person as the designated NRC member of the LSS Advisory Panel, to preclude the possibility of conflicting NRC recommendations to the LSS Administrator (Attachment 5 of Mr. Olmstead's memorandum).

Recommendations:

In view of the foregoing, SECY recommends the following:

1. Establish a separate Office of LSS Administrator.
2. The LSS Administrator should report directly to the Chairman's office. The Chairman's office should be augmented by one position to supervise this added function.
3. The Commission should recruit internally and externally to select an Administrator (SES position). The principal

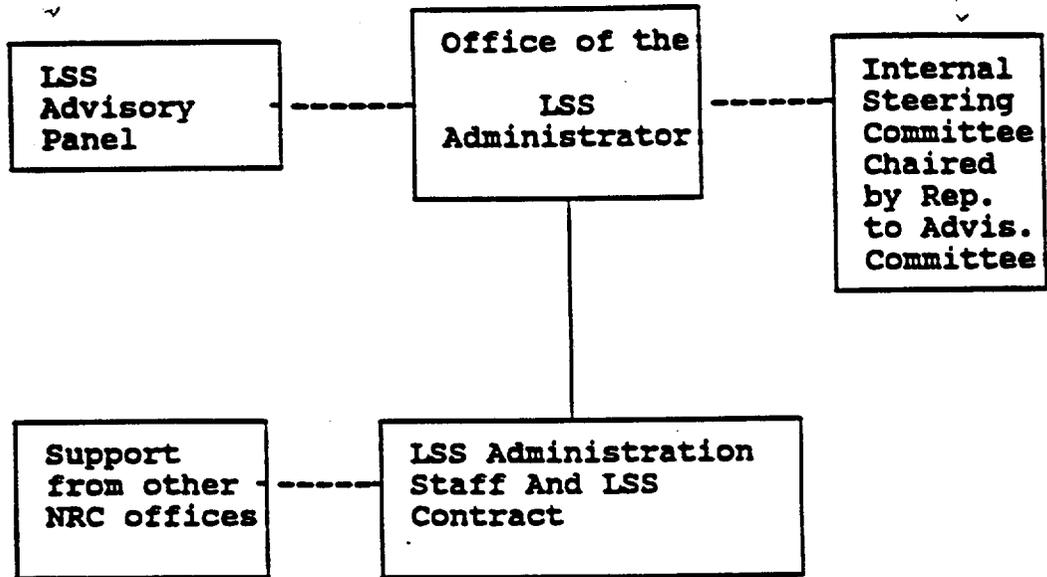
requisite should be to obtain an experienced senior manager who can attain efficiency and cooperation, and who can interface effectively with Congress, OMB, DOE, State and Indian representatives. He/she should have strong skills in planning, management, coalition-building and courage, not just technical skills. Automation or legal knowledge would be helpful but is not necessary. The existing NRC Negotiating Team should be directed to develop, with the Office of Personnel, a job description for LSS Administrator position and to initiate recruitment action including preliminary interviews with the candidates at the earliest practical date.

4. Appoint an Internal Steering Committee as recommended by the LSS Negotiating Team (Attachment 5, of Mr. Olmstead's memorandum). This should consist of the members of the current NRC Negotiating Team. Since it is SECY's view that the development of the Licensing Support System is now entering Phase II, we would recommend that an individual from the ASLBP, preferably Mr. Cotter, be appointed as the Chairman of the committee during this phase. If the Commission determines that the ASLBP should not assume this responsibility in view of their workload or because it is desirable that the Boards be perceived as completely neutral, it is recommended that the leadership remain with OGC.
5. At an appropriate time, the Commission should consider the desirability of appointing an ARM representative as Chairman of the Internal Steering Committee in Phase III.
6. Appoint the same individual as Chairman of the Internal Steering Committee and as the NRC member of the LSS Advisory Panel.
7. The existing NRC Negotiating Team should be directed to represent NRC in all HLW LSS discussions pending the hiring of a LSS Administrator and to act as the NRC representative on the LSS Advisory Panel and as the NRC point of contact with DOE on LSS matters development.

Enclosure:
Attachment 5, Mr. Olmstead's memorandum
to EDO, September 28, 1988

cc: W. Parler, OGC
C. Kohl, ASLAP
B. Paul Cotter, Jr., ASLBP
H. Denton, GPA
H. Thompson, NMSS
W. McDonald, ARM

Office of the LSS Administrator



----- advisory and support function