



The Conservation Foundation

June 16, 1988

Kenneth L. Kalman
NRC Project Officer
Mail Stop OWFN/4H3
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

RE: NRC Regulatory Negotiation Project #FIN D-1056-7

Dear Ken:

Enclosed please find a copy of our fifth progress report for the LSS regulatory negotiation project. As per the requirements of the task order for this project, I have distributed copies of this report to those listed on the attached distribution list.

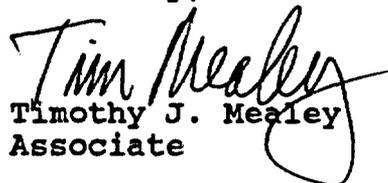
As you know, the financial figures used in this report are an estimate of project expenditures as of May 31, 1988 and therefore should not be used for official accounting purposes. Nevertheless, I believe these figures provide us with some welcome news. As explained in the report, on the basis of these figures, The Conservation Foundation is confident that the facilitation phase of the project, including the Advisory Committee meeting that has been scheduled for July 20-21, 1988, can be completed without going over budget.

Although we have not yet expended 90% of the budget, I am hopeful that this report will serve as our official notice to the Nuclear Regulatory Commission in this regard. Please let me know whether this will be acceptable.

As per your request, I have enclosed copies of the bills for all meeting related expenses during this reporting period.

If you have any questions regarding this report or the attached bills please do not hesitate to give me a call.

Sincerely,


Timothy J. Mealey
Associate

cc: Attached Distribution List
Howard S. Bellman
Mathew A. Low
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NRC REGULATORY NEGOTIATION PROJECT (FIN D-1056-7)

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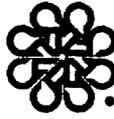
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Don Grimsley
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1 (w/o financial
attachments)

Lynne Grant Mohr
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The Conservation Foundation

"HLW LICENSING SUPPORT SYSTEM ADVISORY COMMITTEE"
NRC REGULATORY NEGOTIATION PROJECT (FIN D-1056-7)

PROGRESS REPORT #5
January 1, 1988 - May 31, 1988

Overview

The Conservation Foundation (CF) has previously submitted four progress reports to the U.S. Nuclear Regulatory Commission (NRC) for the above referenced regulatory negotiation project. The last report covered the period from the start of the facilitation phase on September 11, 1987 to December 31, 1987. This report covers project activities from January 1, 1988 to May 31, 1988.

Work Performed and Significant Accomplishments

The changes that were made to the nuclear waste program as a result of the December 21, 1987 amendments to the Nuclear Waste Policy Act caused the NRC to reevaluate who should participate in the LSS regulatory negotiation effort. This reevaluation occurred during the months of January and February, 1988. Meetings of the HLW Licensing Support System Advisory Committee that had previously been scheduled for these months were postponed.

During this period the facilitation team met and consulted with NRC staff to help them determine who should be involved in the negotiations and how the negotiations should proceed in light of the major policy changes that Congress made to the nuclear waste program. On January 25, 1988, the facilitation team attended a meeting that the NRC had arranged with a core group of Advisory Committee members in Las Vegas, Nevada. At this meeting the NRC announced their intent to amend the Committee's charter to allow the negotiations to proceed under a revised membership structure which eliminated parties which were no longer significantly affected by the nuclear waste program.

During the months of January and February, 1988, the facilitation team also helped the technical work group that had been established by the Advisory Committee at its December meeting to pull together the information for the Committee. This assistance included facilitation of work group meetings as well as substantive contributions to the development of the work group's report to the Committee.

The first meeting of the reconstituted Advisory Committee, and the fifth Committee meeting overall, was held on March 22-24, 1988 in Reno, Nevada. Working from a number of proposed consensus statements that had been developed by the facilitation team on the basis of the discussion at the December meeting, the Committee made significant progress on several key issues. Perhaps most importantly, the Committee agreed on the general outline for a list of document types and categories that should be included in the LSS and a list of document types and categories that should be excluded from the LSS. In addition, the Committee discussed in a preliminary fashion all of the proposals which had been set forth in the so-called NRC Position Paper which had been distributed at the Committee's November meeting.

At its sixth meeting, which was held on April 18-19, 1988 at The Conservation Foundation's offices in Washington, D.C, the Committee had its first opportunity to review and discuss a draft text of the LSS rule which had been produced by NRC staff on the basis of discussions at previous meetings. The Committee made significant progress in making substantive changes to approximately half of the sections of the draft rule, including the sections which addressed the most fundamental aspects of the LSS.

At its seventh meeting, which was held on May 18-19, 1988 at the Conservation Foundation's offices in Washington, D.C., the Committee reviewed a revised text of the draft rule, once again starting from the first section and working its way through the draft rule section by section. At this meeting the Committee continued to make progress on developing tentative agreements on the language that should be used for some of the most important sections of the rule. In particular, tentative agreements were reached on the submission of documents into the LSS (i.e., what types of documents will be submitted, by whom and in what format); how the potential parties, parties and public will be granted access to the LSS; who will administer the LSS and how will it be administered, as well as many other issues.

The Committee was able to discuss approximately two-thirds of the text of the draft rule before adjourning at its May meeting. Its plan for the meeting which it had already scheduled for June 29-30, 1988 in Reno, Nevada, is to discuss those sections of the draft rule that it has not yet had an opportunity to discuss, and to discuss the preamble to the draft rule which it will be receiving for the first time just prior to the June meeting. Because many parties must obtain approval or ratification of any "near final" agreements that might be reached at the June meeting, the Committee decided to schedule an additional meeting for July 20-21, 1988. If this July meeting proves to be necessary, it will be for the purpose of making any "last minute" changes to the draft rule and preamble that might be necessary to obtain final agreements and to determine whether and how the Committee members will "sign-off" on the draft rule and preamble.

Cost Expenditures and Projections

As of May 31, 1988, The Conservation Foundation estimates that approximately eighty (80) percent of the total project budget had been expended. This figure is consistent with the rate of expenditures that one might expect given the stage that this project has reached (i.e., the convening and training phases have been completed and eight out of a total of nine meetings that were budgeted for the facilitation phase have been completed).*

Perhaps the single most important factor in projecting future costs and in determining whether the overall level of expenditures for the project will stay within budget is whether the meeting which the Committee has tentatively scheduled for July 20-21, 1988 will be necessary. The project management issues associated with this uncertainty are addressed below. A more detailed explanation of the estimated expenditures for the project is provided in Attachment 1.

Project Management

As noted in the previous progress report, although the overall costs for the project have stayed within the rate of expenditures that was envisioned in the budget, project expenditures for certain categories of expenses have not been consistent with the line item estimates made in the original budget. The Conservation Foundation does not perceive any management problems have resulted from this reallocation of project resources, nor does it foresee any management problems will result from this reallocation of project resources.

With respect to the budget implications of the July meeting, The Conservation Foundation believes that it will be possible to provide facilitation services at this meeting and still allow for the completion of the project within the constraints of the original budget. It is important to note, however, that the July meeting, which has been requested by the members of the Committee and should probably be seen by the NRC as a positive signal with respect to the likelihood of reaching substantive agreements in these negotiations, must be considered an unanticipated expense in so far as the budget is concerned. That is, the July meeting would bring the total number of Advisory Committee meetings and other necessary meetings to ten, whereas the budget assumed that facilitation services would be provided for only nine meetings.

* These eight meetings include seven Advisory Committee meetings held in months of September, October, November and December, 1987, and March, April and May, 1988, as well as one meeting that was held in Las Vegas, Nevada on January 25, 1988 which was not an official meeting of the Advisory Committee.

The only potentially adverse affect that this unanticipated expense may have on the project is that it may require some of the resources were set aside in the original budget for the so-called "second year" task to be reallocated for completion of the facilitation phase of the negotiations. The Conservation Foundation does not believe that this potential reallocation of project resources presents any project management problems that need to be addressed at this time. However, Foundation staff would be willing to discuss this matter with NRC staff should they perceive otherwise.