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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
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BRIEFING ON OFFICE OF RESEARCH (RES) PROGRAMS,
PERFORMANCE, AND PLANS,
+ + + + +
ROCKVILLE, MARYLAND
+ + + + +
TUESDAY, APRIL 5, 2005
+ + + + +

The Commission met in open session at 9:30 a.m., at the Nuclear Regulatory Commission, One White Flint North, Rockville, Maryland, the Honorable Nils Diaz, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

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|-----------------------|-----------------------------|
| NILS J. DIAZ | Chairman of the Commission. |
| EDWARD MCGAFFIGAN | Member of the Commission |
| JEFFREY S. MERRIFIELD | Member of the Commission |
| GREGORY B. JACZKO | Member of the Commission |
| PETER B. LYONS | Member of the Commission |

(This transcript was produced from electronic caption media and audio and video media provided by the Nuclear Regulatory Commission.)

- 1 STAFF AND PRESENTERS:
- 2 LUIS REYES, EDO
- 3 CARL PAPERIELLO, Director, RES
- 4 JOHN CRAIG, Deputy Director, RES
- 5 RICHARD BARRETT, Dir, Div of Engineering
- 6 Technology, RES
- 7 MARTY VIRGILIO, DEDO for Materials, Research and
- 8 State & Tribal Programs
- 9 FAROUK ELTAWILA, Dir, Div of System Analysis &
- 10 Regulatory Effectiveness, RES
- 11 CHARLES ADER, Dir, Div of Risk Analysis &
- 12 Applications, RES
- 13
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PROCEEDINGS

CHAIRMAN DIAZ: Good morning. It is a pleasure to be here this morning. If I count the number of pounds in this document, you guys have been working very hard.

MR. REYES: Very hard.

CHAIRMAN DIAZ: If that has nothing to do with it, you are in deep trouble.

The Commission is pleased to welcome the staff to discuss the NRC Research Program. Our Research Program, of course, plays an important role in our regulatory decisionmaking, and we look forward to hearing about the program, specs of it, that you believe the Commission should be keenly aware of them, significant issues that are either being resolved or need to be resolved. We have seen progress in a series of areas.

I especially like the progress made on 50.46. We all have our pet peeves. It is very clear that that is one of mine. But I think pressurized thermal shock is an issue that we are doing very well with it.

We intend to make improvements in five areas, although I'm sure you will realize during the questioning, the Commission is worried about five areas. So, the role of Research is in many cases to make the right technical decisions that are so important to our regulatory programs.

We talked about many issues last years. Some of those issues are coming back. I think it is important that issues that we have mastered we become learned about it and we when we are no longer learning, we properly sunset them and give them the proper value.

Before turning the meeting to the staff, asking for my fellow Commissioners' comments, I would like to take a moment to recognize John Craig and his many, many years of service, 33 years of Federal service. I remember John when I was a child and he had started in the NRC.

(Laughter.)

COMMISSIONER MCGAFFIGAN: Were you born?

1 CHAIRMAN DIAZ: I was about two. I was very, very, well
2 developed for a two-year-old.

3 John had a distinguished career in this agency. He has
4 been in many offices and been a key contributor. I'm sure that many of
5 you can talk to his contributions in different places, but I personally
6 would like to thank him for the time that he had been Chief of Staff in
7 my office and he helped me in a very short period of time. We came
8 from, I guess in about 48 hours, we had the Office of the Chairman
9 running.

10 And I want to wish you well. Don't get lost. Sometimes
11 we do need the wisdom that you have acquired. And we want to really
12 wish you well.

13 We also have John Wiggins, who is going to take over.

14 And, John, we are looking forward to working with you.
15 By the time somebody comes from the regions, they say they have
16 really practiced where the rubber meets the road.

17 Well, I'm not sure in here in Research, which is the rubber
18 and which is the road. But I'm sure you will find out for us and put them
19 in the proper perspective.

20 Before I turn the meeting over to Mr. Reyes, I would like
21 to ask if my fellow Commissioners have any comments.

22 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I
23 certainly join you in your remarks on John Craig. This is going to be his
24 last Commission meeting. And he has had a distinguished career here,
25 including being the person who had to succeed Jim Blaha for a while in
26 the EDO's office. And he did an excellent job trying to do that.

27 I do want to point out that my lobbying to get Cheryl
28 Trottier to the table has once again failed. It is not just that she runs, I
29 think, an important part of the Research's program and that she's the
30 materials efforts, but I also think it helps, particularly in light of the
31 recent controversy involving Mr. Summers, for us to have the women
32 who are involved in Research here at the table.

33 But I feel it shows you how much influence a
34 Commissioner has around here that I have been lobbying this for two
35 years, and the male hierarchy has not quite managed to get there yet.

36 CHAIRMAN DIAZ: Thank you, sir.

1 COMMISSIONER MERRIFIELD: Mr. Chairman, I would
2 like to make three remarks. First, I'd like to associate myself with the
3 comments of both you and Commissioner McGaffigan in regard to John
4 and what he has done; a terrific service for our agency. It will be lasting
5 well beyond his years here. So again, I can't add anything more
6 articularly than that of my fellow Commissioners. But, again, thank you.

7 In regard to the seating at the table, I am not going into
8 the comment about Cheryl, although I love her as much as
9 Commissioner McGaffigan does. I would make one note, however.

10 When you look at Research information about
11 organizational dynamics and the importance of incorporating Research
12 into the operations of the agency, and in the operations of any
13 organization, one of the things, and it is quite clear, is the importance of
14 moving people from other elements of the organization into the
15 Research organization, and from the Research organization out into
16 other parts of the organization.

17 I think the membership at this table certainly recognizes
18 that we have made a lot of effort in that regard. I think that is for the
19 better interest of the Office of Research, and I think it is better for the
20 overall interest of this agency.

21 So I do appreciate those changes, Mr. Chairman. I know
22 you have been a champion for that as we all have. I think that is going
23 to continue to make this overall a stronger organization.

24 The last comment I would want to make is in regards to
25 the book. And it's a positive comment.

26 Now, the Chairman made a comment about its weight,
27 and it is true -- and sometimes one gets graded on the weight, not
28 necessarily the content. But I want to focus on the content for a
29 moment. This is really as much for the benefit of our two new
30 Commissioners as everyone else.

31 The information that we have received from the Office of
32 Research regarding a level of detail about the Research programs that
33 we have underway has not always been of this nature. In fact, when I
34 first came on board, some of that information that was provided to us
35 was a mere fraction of what is contained in this book.

36 I think that this organization has made what I would call

1 tremendous strides in its ability to actually understand the Research
2 work that it's undertaking. And to put it in a format, albeit quite lengthy,
3 but in a way for the Commission to access that and better understand
4 the work that we have underway.

5 My only regret was I did not have more time to spend with
6 this book today, because it is really filled with a wealth of information. It
7 represents a significant amount of effort on the part of the Research
8 staff. And I also want to give great kudos to Carl, who I know was a
9 champion for this effort.

10 It is certainly going to be on my bookshelf and will be a
11 good reference material down the road as we move toward the
12 budgetary process for me to better understand what is it we are actually
13 doing in Research. And does it validate all the money that we are
14 spending on it, which, I think, certainly helps to make more that case.

15 So, I think it is an excellent product and wanted to
16 recognize the hard work that went into it.

17 Thank you, Mr. Chairman.

18 COMMISSIONER JACZKO: I just have one brief
19 comment, and this is no disrespect to the Chairman.

20 John, I was, in fact, one when you started at the NRC, to
21 put that in perspective.

22 (Laughter)

23 CHAIRMAN DIAZ: I do admit that I am older than
24 Commissioner Jaczko, not by much.

25 (Laughter)

26 COMMISSIONER JACZKO: But again, I just want to
27 echo some of the comments. I think this is a very good set of
28 materials. And I do also regret that I didn't have more time to go
29 through it in more detail. But it will be a really useful resource in the
30 year ahead until the next briefing.

31 CHAIRMAN DIAZ: Commissioner Lyons.

32 MR. LYONS: I would just echo the comments from my
33 fellow Commissioners. It is a well prepared book.

34 Congratulations to you, John, for long years of service.

35 CHAIRMAN DIAZ: Thank you. With that, Mr. Reyes.

36 MR. REYES: Chairman, Commissioners, the staff

1 welcomes the opportunity to brief the Commission on the programs we
2 have in the Office of Research. Although the book is large in size, I
3 hope you judge us by the contents of the material. I think the office has
4 done a good job preparing for the presentation today.

5 I am just going to turn the presentation to Carl, who is
6 going to make the bulk of the presentation. And then we will be
7 available for questions.

8 Carl.

9 MR. PAPERIELLO: Yes. Thank you.

10 Good morning, Mr. Chairman, Commissioners, EDO and
11 staff of the agency.

12 My staff and I are here today to brief you on the
13 performance and plans of the Office of Research. And it has been 11
14 months since I became Deputy or, rather, Director of the Office of
15 Nuclear Regulatory Research with John Craig as my Deputy.

16 I am going to join with the rest of you in thanking John for
17 the job that he has done. He certainly has helped me greatly.

18 He is an engineer. I am a physicist. I'm impractical. He
19 is practical. And so out of the many screwy ideas I come up with, he
20 picks out the useful ones and implements them. And certainly, has
21 been a major contributor to the successes we have had this year.

22 Could I have slide 2.

23 Obviously, there is limited time available. I can only give
24 you a high level overview. You have referred to the material I have
25 given you, my staff has given you.

26 I tell you what I will do. I will promise you next year it will
27 be a better hierarchal order so you can bore down better than you
28 could this year. But at least once you build it out, then you can
29 structure it better.

30 We have given the Commission more detailed briefings
31 on specific topics. I know we gave the Commission -- we were part of
32 the briefing on decommissioning.

33 We will participate in upcoming briefings on new reactor
34 licensing tomorrow and on grid reliability issues later this month. So we
35 are part of the briefings the Commission gets.

36 Slide 3.

1 The office is a very diverse technical organization and
2 with a large number of different scientific and engineering specialties
3 being represented. And it is a support office. Our job is to support the
4 front-line offices of the agency.

5 Since we are a support office, one of my top priorities
6 when I became Director was the improvement of communication with
7 the other offices, particularly the ones we support.

8 I have monthly meetings, about monthly, with the Director
9 of NRR and approximately quarterly meetings with the Directors of
10 NMSS and NSIR. And our staffs are meeting on particular topics far
11 more often. And, in fact, a growing number of research projects are
12 being managed by technical advisory groups that are made up of
13 representatives of Research as well as the technical offices that we are
14 supporting.

15 I have received informal feedback from both contractors
16 and a member of the ACRS that this cooperation is evident. I'm going
17 to discuss this communication area a bit later.

18 Internal communications have been strengthened. I hold
19 almost daily meetings with direct reports, weekly meetings with
20 managers and supervisors, and periodic meetings with section chiefs,
21 branches, and other cross sections of the Research staff. We have an
22 expanding internal web site.

23 There have been considerable direct support of the
24 Commission in the past couple of years, particularly in the area of
25 security. In fact, the major portion of the reprogramming done in
26 Research for the last year and a half, at least, has dealt with the
27 security area.

28 Much of our research involves collaboration outside of the
29 NRC. Some is overseas but much is domestic. We collaborate with
30 the industry, chiefly through EPRI, DOE, and other Federal agencies.

31 And lastly, because of age distribution with about 37% of
32 us being retirement eligible by the end of fiscal year 2007, human
33 capital is a significant issue in the Office of Research.

34 May I have Slide 4?

35 This is a very brief summary of activities that we conduct,
36 both in Slide 4, this one, and we go to Slide 5 afterwards, on what we

1 do to support NRR.

2 New reactors, you are going to hear about tomorrow.

3 We have provided the technical basis for a number of
4 important rule revisions particularly 50.46, the large break LOCA, and
5 50.61, pressure thermal shock, having the largest resource
6 commitments.

7 Fuel performance research has permitted the use of new
8 fuels with newer cladding and higher fuel burnups, as well as the
9 authorization of MOX fuels.

10 The steam generator action plan. Looking at flaw growth
11 in steam generator tubes and performing extensive computational fluid
12 dynamics calculation to understand the behavior of steam generators
13 under transient conditions.

14 We support computer models, tools and databases used
15 by the agency's PRAs. We have developed and trained staff in the use
16 of SPAR models to use as part of the reactor inspection oversight
17 program. And we have published a number of documents in support of
18 the PRA quality action plan. We have issued two draft reports in
19 support of the grid action plan.

20 Slide 5.

21 In coordination with NRR, the operating experience
22 program has been improved as part of the Davis-Besse action plan.

23 We revised regulatory guides as requested by NRR and
24 other stakeholders.

25 In support of the PRA action plan, the staff has published
26 a NUREG dealing with good practices for implementing human
27 reliability analysis, and the Research staff has supported the regions in
28 inspections in which human performance was an issue.

29 We are going to discuss later -- we have spent a lot of
30 time in developing and maintaining computer codes.

31 We have also had time to actually do licensing support for
32 both NRR and NMSS by preparing some portions of SARs, particularly
33 areas where we have the expertise that these offices need support in.

34 Actually, it has not been included on this list because of
35 the timing of preparing the slides, is all the recent activity we referred to
36 in fire safety and in resolution of Generic Issue 191.

1 May I have Slide 6.
2 In support of NMSS. I'm going to cover those in the next
3 two slides briefly.

4 Decommissioning, as I mentioned earlier, has been
5 discussed with the Commission at a meeting about six months ago on
6 the subject.

7 We have developed a dry cask storage PRA which NMSS
8 plans to use as a basis to risk informed the licensing project process.
9 The ironic thing is I requested that PRA when I was Director of NMSS
10 back in 1997. But actually, they didn't get started on it until 2001. It
11 was done internally. It was not done through contractors. But anyway,
12 that has been just about wrapped up.

13 And this slide really has a mistake on it. I talk about cask
14 burn up credit, when obviously, we are not burning up casks. We are
15 dealing with a fuel burnup for loading dry cask, effectively, to make
16 more efficient use of dry cask by removing the conservatism of the
17 fresh fuel assumption and loading cask.

18 The fresh fuel assumption for the basis of loading a cask
19 is that the fuel has the same enrichment it had when it was fresh. Now,
20 obviously, when fuel has been burnt, you will reduce the amount SNM.
21 It's complicated because you have reduced SNM, you have grown in
22 new types of SNM because you have grown in plutonium and
23 other transuranic but you have also had fission products grow in which
24 tends to poison a nuclear reaction.

25 Of course, the fission products decay. So you have a
26 very dynamic changing of K_{eff} for these things. But anyway, we have
27 done research to enable more and more of the conservatisms to be
28 removed from the assumptions and to allow more fuel to be loaded in
29 the cask.

30 And then cooperation with DOE. We are obtaining
31 foreign criticality benchmark data. And it will be used by Research to
32 develop the technical bases used by NMSS in criticality code used in
33 fuel cycle licensing.

34 Slide 7.

35 I mentioned that we do provide licensing support. We will
36 do portions of licensing review. And this has been done for NMSS for

1 both the MOX facility and the gas centrifuge facilities.

2 We are updating Division 8 Regulatory Guides. These
3 are Regulatory Guides that deal with radiation protection.

4 We support NMSS by providing the technical bases for
5 some rules. And the material disposition rule was a significant activity.
6 That is about wrapped up now.

7 We are also being supported by NMSS. We are
8 preparing a paper for the Commission on international radiation
9 protection activities along with staff recommendations. And I think you
10 have recently received the paper on the package performance study
11 that you requested.

12 Slide 8.

13 I'm not going to go into the details of our support to NSIR.
14 The Commission has been briefed in the past year on any number of
15 activities that we have engaged in in the area of security research. And
16 after discussions with the Director of NSIR, I am looking at what we can
17 do in the incident response and emergency preparedness areas by
18 updating reference materials with current severe accident risk insights.

19

20 Slide 9.

21 There are also a number of areas that have been
22 assigned to the office that are not clearly Research as such but which
23 are associated with other work that exist in Research. We prepare the
24 agency abnormal occurrence report to Congress. We coordinate the
25 generic issues program. We have the lead for some of these issues
26 and support the agency in most of them.

27 We are the standards executive for the NRC
28 responsibilities under the National Technology Transfer Act.

29 We manage and provide support to the committee that
30 reviews generic issues. And we maintain the radiation exposure
31 information reporting system and receive and file radiation exposure
32 reports required by Part 20.

33 For a period of a few years, we were responsible for
34 developing risk communication guidance. This work has been
35 successfully completed and turned over to the agency's Director of
36 Communications.

1 Slide 10.

2 Computer code development and maintenance constitute
3 a significant portion of our budget, both FTE and budget. I am going to
4 spend a little bit of time on this because it contributes to my human
5 capital concerns. And why? For several reasons.

6 The most important is the use of these codes across the
7 board in regulatory applications. They are used to support licensing
8 decisions such as thermal hydraulic, fuel performance, PRA, criticality,
9 structural decommissioning. They support the technical bases for
10 rulemaking, PTS, 50.46, radioactive materials disposition.

11 They support the regulatory oversight programs, SPAR
12 models, fire models and so forth. Generic safety issues, computational
13 fluid dynamics was used for steam generators.

14 They support the incident response activities and are
15 used in the security program.

16 In a number of disciplines, most of what we know is
17 embodied in the computer codes. In many areas of applied science
18 and engineering disciplines, simple handbook methods used 30 years
19 ago to build the plants dealt with uncertainty using a fairly large margin.
20 In my own field of health physics, I would characterize the calculational
21 methods of the early '70's as bounding. Today's realistic calculations
22 depend on the validity of our computer models.

23 Most of the models are semi empirical. We think we
24 understand the phenomenon, and we understand the physical laws on
25 which they are based, but the values of most of the coefficients and the
26 constants are empirical.

27 Most engineers and scientists have learned as
28 undergraduates the difference between interpolation and extrapolation.
29 In the use of these codes we can't lose sight of it. You can't use a
30 computer code as a black box. If you do, you can be in trouble.

31 Some of the codes are fairly simple while the majority are
32 very long and complex to use. And 20 years ago, the predecessors of
33 many of these codes were run on supercomputers at national
34 laboratories and a cost for one reactor evaluation might equal the entire
35 cost of our current program today.

36 The world has changed drastically in 20 years. We have

1 bilateral agreements for a number of these major code sets. And this
2 actually vastly improves our capability to verify and validate these
3 codes.

4 We do fire modeling and it involves collaboration with
5 EPRI and other federal agencies and some international collaborations.

6 Slide 11.

7 Today, most of our codes can be run here on PCs,
8 high-end work stations, or a Linux cluster.

9 There is no doubt in my mind that in the next decade we
10 will run finite element and computational fluid dynamic codes on work
11 stations with hundreds of CPUs on just a few chips and costing no
12 more than today's top-of-the-line work stations. We have already had
13 the major manufacturers indicate they are going to be putting out chips
14 this year with more than one CPU on the chip.

15 I point out that a portion of our research code work is
16 done in-house. And for most offices, we provide training in code use or
17 perform the analysis to support agency activities.

18 And the technology is changing rapidly. There seems to
19 be no end in sight for Moore's Law, which says that computational
20 power doubles every two years. In fact, recently, Moore stated he was
21 very surprised that his law has remained true for 40 years.

22 But computer language and operating systems change
23 rapidly. And we have to spend resources just to maintain our ability to
24 run our codes even with no improvement in the underlying model. You
25 can't run when you replace Windows to Windows XP. Some codes
26 that would run under Windows 98 or Windows NT just don't run. You
27 have to modify them.

28 Furthermore, I can't find a good word, I use handcrafted.
29 We have a lot of codes which are written in FORTRAN that we created,
30 evolved over the years. However, we are making greater use of
31 commercial software. Our computational fluid dynamics, finite element
32 analysis, and spreadsheets, those three different areas, we are using
33 general purpose software which we then adapt for the particular
34 calculation we want to do.

35 For example, we have fire codes now that run on Excel
36 spreadsheets. We used a commercial product as the computational

1 fluid dynamics code for the steam generator work.

2 Now, you need to understand, these things are actually
3 very high level programming. We never really think about them being
4 programming languages.

5 I mean, Word or WordPerfect is a programming
6 language. We don't think about it as such. But if you hit the wrong
7 key, give it the wrong instruction, it does not work.

8 So these higher level codes make it easier for you to write
9 instructions -- you limit the number of instructions you write but you still
10 have the same problems. You have to have data. They are just not
11 magic. And you have to know how to use them.

12 This is going to grow. Along with other mathematical
13 packages like Math Lab and Mathematica, we are using them now, I
14 think this is going to grow.

15 What does this mean in terms of human capital? That
16 means in addition to a firm foundation in science and engineering, the
17 future staff are going to need, not to say staff does not have it now, but
18 we will certainly have to focus on mathematical skills including partial
19 differential equations, numerical analysis and probability and statistics.

20 And it is going to mean computer skills, including basic
21 programming knowledge and demonstrated ability to use complex
22 computer codes including one or more mathematics packages. These
23 are the things that I am looking for in people as we now look over
24 resumes.

25 Our codes are widely distributed. They are used by other
26 government agencies, foreign countries, universities and businesses.
27 And I don't have a good number. I did have the staff dig the numbers
28 out for me. But it is safe to say that if the university has a nuclear
29 engineering program in this country, they are using codes that we
30 developed. Why? They are free. And if you had to use a commercial
31 product, you would have to pay licensing fees.

32 They are also used in 20 -- at least I know the codes for
33 thermal hydraulics and severe accidents are used in 25 to 30 countries
34 around the world.

35 May I have Slide 12.

36 In the international arena, we support the Office of

1 International Programs and take on assignments they give us. Of
2 equal importance is collaborative international research. As I
3 mentioned earlier, foreign partners make major contributions to
4 validation, verification and extension of our major computer codes.

5 Some facilities needed for research are not available in
6 the United States or in other cases, it is far more cost effective to do
7 research collaboratively in a foreign facility. And in fact, most of the
8 research we do in Europe is generally supported by a significant
9 number of countries from the European Union.

10 We contribute, this is ballpark, about \$4 million to
11 research in foreign facilities. And foreign partners contribute about
12 \$1.2 million to research in the United States. This is where we are
13 collaborating.

14 Slide 13.

15 I talked a bit about what I feel we have accomplished in
16 the managerial area.

17 I initiated a number of activities to improve office
18 processes. We have had one retreat to focus on improving
19 communications. And I believe it has yielded results.

20 Today the office is far better integrated into the activities
21 of the offices we support than ever before. I mentioned the technical
22 advisory groups and the excellent work they have done in coordinating
23 projects.

24 We have actively sought to ensure that all levels of the
25 offices supported get research results in a form they can use. That is a
26 major problem with research. For the inspector in the field, supplying
27 them with a long set of partial differential equations is not all that useful.

28 What does it mean for me? What do I have to look for? I
29 have focused what we do in getting the information to people in a form
30 they can use.

31 We include plain English forewords in our publications.
32 We have essentially focused on communicating with you by trying to be
33 present in as many briefings as possible where some aspect of
34 Research is going to be discussed.

35 We are doing more outreach to the labs and the
36 universities. And we are going to be reviewing our efforts in a

1 management retreat at the end of next week.

2 The operating plan is a road map for resources and
3 products for the fiscal year. We have created a tier operating plan for
4 all Research activities along with performance metrics that have never
5 been tried before. Now, the problem is you start out with new metrics
6 and some of them we're not meeting. So we have to work at it.

7 We are coordinating with the operating plans of other
8 offices. The budget and work processes are integrated with the
9 supporting office. And this year in preparation for the '07 budget,
10 Research fully is integrated in the budget review. We are using a
11 common prioritization. And as the various offices we support change
12 their priorities, we have been changing our work.

13 Actually, as a result of preparing for this briefing, I have
14 identified a number of items to add to our operating plan. There are
15 some things that I found out that I would have liked to have told you
16 that I don't know. And I have sketchy information. So we are going to
17 change that.

18 Our office procedures need to be upgraded and
19 augmented. What exist is far less than what exists in other comparable
20 NRC offices.

21 We have created a program to revise and create a set of
22 office procedures. The programs will be done by the end of this
23 calendar year. And to the extent possible, we are going to adopt
24 procedures developed by other offices. And as a first step, John here
25 has worked with the staff to create an effective correspondence
26 tracking system.

27 Slide 14.

28 I would like to talk about some of our major office
29 challenges.

30 Expanding the sources of information available to staff is
31 a challenge that I'm continuing to respond to.

32 Research is developing procedures and systems to
33 capture foreign data in ADAMS. And we have recently created an
34 internal web site that either has all of the foreign research data on it or
35 links to where it is available, because some of the research we support
36 is on web sites that are overseas and just the volume of material as

1 such that it's easier to get access through a link.

2 We need to do more to learn as much as possible from
3 research that is relevant to the NRC yet done outside of the NRC or
4 even outside of the nuclear community. And more needs to be done to
5 ensure that Research products are electronically accessible to the
6 entire Research staff and the rest of the NRC.

7 One of the things I found out is we have published
8 probably almost 200 papers in the past year. And if I tried to give you
9 the list of them, I don't have it all in one place. And I don't know how
10 much is available to the staff. This isn't just internal agency
11 documents. these are conference proceedings and papers.

12 We are working to improve our work processes and
13 streamline our budget processes and procedures. In doing this year's
14 budget, I told the staff come June, we are going to rebuild the whole
15 thing. Now it is too complicated.

16 Incidentally, I had the CFO meet me in an elevator and
17 make a remark about the budgeting process being too complicated. So
18 I think I'm just a cross section of the rest of the agency, but anyway.

19 We have to be timely in the delivery of our products since
20 we are a support office. However, the nature of scientific research, the
21 need in many cases to work through contractors and the need to
22 coordinate with numerous other offices frequently causes delays.

23 We need to be more accurate in establishing product
24 delivery dates. I think in some cases, we would just make people
25 happy and agree to a date they want without ever really looking at
26 whether this is realistic if you consider the steps that have to be taken.

27 So we need to be more realistic based on the operating
28 plan or missed delivery dates for central and important deliverables.

29 In every case, I instituted a process about a month ago
30 where a date is missed, the responsible managers have to conduct
31 lessons learned on the cause of the failure and the office will take
32 corrective action to prevent recurrence.

33 We are a major contributor to agency efforts to improve
34 the regulatory programs by ensuring that the technical bases for rules
35 and requirements are scientifically accurate and as realistic as
36 possible. It is the major task of this office to either conduct or find

1 the research information that is more scientifically accurate than
2 perhaps the more conservative bounding estimate previously used.
3 Some of this comes about because of the growth of computational
4 power. We can now do in three dimensions calculations that in the
5 past were only done in one dimensional. Computational fluid dynamics
6 is one example.

7 But the problem is these codes are still
8 phenomenological. And so, yes, we now have the computer power and
9 software to do the calculations but we don't always have the data.

10 One interesting point in computational fluid dynamics, and
11 I ran into this both in a presentation my staff made and I heard about it
12 in reading a paper from NEA, two-phase flow. Computational fluid
13 dynamics right now is quite reliable in the reactors we regulate when
14 you are dealing with one-phase flow, water with no steam or with air,
15 gas. We would use computational fluid dynamic codes that we were
16 licensing, a high temperature gas cool reactor, for example.

17 With two-phase flow, we are not there yet. And I have
18 been told by our staff as we have the equations, we don't have the
19 data.

20 But I think this is going to change. I have seen papers in
21 Nuclear Engineering. The people are working on them. My guess is in
22 about five years we will be there.

23 And I'm going to talk about human capital.

24 Why don't we go to Slide 15.

25 I see three important areas of human capital in Research.
26 The first is management succession. In fact this is, Chairman, your
27 remark to me when you asked me to take over Research.

28 This area is received considerable attention in the NRC
29 from the EDO and from the Executive Resources Board. There are
30 SES succession plans in place and are being developed for most SES
31 positions, a strong SES candidate program and a leadership
32 development program.

33 To promote SES development by broadening work
34 experiences in Research -- Rich is an example -- one Research
35 director has been swapped out with NRR. Three SES branch chiefs
36 have exchanged positions within Research. One SES branch chief

1 position has been used by us for candidate development. A deputy
2 division director has been temporarily reassigned to a different division.
3 And in the past year, two new SES branch chiefs were selected from
4 the SES candidate development program. Both individuals had
5 previous NRC work experiences outside of Research. Seven new
6 section chiefs were selected, many of whom are graduates of the
7 leadership development program.

8 And we are going to conduct the retreat, as I mentioned,
9 at the end of next week on staff succession. Managers are going to
10 review the work done by each SLS and GG-15 position in Research.

11 We are going to also look at new skill areas that may be
12 needed based on the planned activities through fiscal 2007.

13 We are going to be looking at the tasks done, the
14 knowledge, skills and abilities needed to do these tasks, and identify
15 understudies and backups for critical positions.

16 Assignments are going to be made for managers and
17 supervisors to develop staff where needed, and if necessary, recruit,
18 train, develop and redeploy. This goal is to ensure that the office has
19 the skilled staff it needs to conduct future activities.

20 I expect a meeting like this will probably have to be held
21 on an annual basis for the next several years.

22 Slide 16.

23 I would like to talk a little bit about knowledge
24 management. You have heard of it. What is knowledge management?

25 I will tell you what it is not. It is not information
26 technology.

27 I have read a number of books, and some of the books
28 started from an information technology start. It is not information
29 technology.

30 What it is, is an extension of existing knowledge
31 acquisition. Learning, training, and educational activities of the type
32 that the NRC has been engaged in ever since I joined the agency in
33 1975.

34 We have the technical training center, the library, the
35 computer training center on the third floor of the second building, an
36 internal web site, agency and office procedures and even this

1 Commission briefing are all parts of knowledge management.

2 What it is, it starts with the systematic analysis of the
3 knowledge needs that an organization must have to accomplish its
4 mission.

5 We use IT as needed. It is not the driver. We use IT just
6 like any business process. Define your business process and if IT can
7 make it work better, faster, cheaper, then employ IT.

8 We have undertaken a number of knowledge
9 management initiatives. And many of these initiatives have been
10 coordinated with the Office of Human Resources, NRR and NMSS.

11 We have a knowledge management plan in the Office of
12 Research. Working with HR, we have created a pilot knowledge
13 center, this is on the computer, this is web-based, which is a study
14 guide, references and expert assistance all linked together on a web
15 site.

16 Data is being entered right now relating to fuels research,
17 and ground water monitoring.

18 And I just could not help thinking when I am looking at this
19 thing, for those of us who at least years ago when I used to subscribe
20 to the American Journal of Physics, they would have resource letters in
21 the Journal periodically. And what it was for, for generally college
22 professors of either senior level or graduate school. And if I wanted to
23 teach something like, say, x-ray energy spectroscopy, which was a, for
24 a while a big field -- I still think it's around but it was a cutting-edge
25 research field. We don't have a textbook for it.

26 And it would list maybe 40 papers that were important in
27 the area. And there would be some on theory, some on experimental
28 practice and some on applications. And it would sort of lay out how you
29 might create a course around it.

30 The problem is you didn't have -- if we do it here, you can
31 hyperlink all of the references. So rather than, what you would have to
32 do is search through all these journals and xerox then 30 years ago,
33 you have all these hyperlinks. And rather than calling up experts, you
34 have agency experts available on line. So really, this is only an
35 extension of what we have done with paper for years.

36 We have created an on line database in support of our

1 international research. This is going to provide a searchable database
2 for the reports, trip reports, agreements and resources.

3 Working with HR, we have trained a small group of our
4 staff in interviewing skills to better capture experts, relevant knowledge.
5 And we have been conducting monthly Research seminars. I'm sure
6 as you have walked around, you have seen the notices down in the
7 lobby. These seminars have been well received. We have had
8 good regional participation by teleconferencing. Videotapes of these
9 seminars are available and slides are on our internal web site.

10 In addition, I consider our efforts to update our business
11 processes and capture and ensure the availability of research reports
12 also part of knowledge management.

13 Slide 17.

14 I have given you an overview of Research at a very high
15 level. I believe we have strengthened our integration into the agency. I
16 think that other offices see us as a reliable supporting office.

17 I have found most of the technical work to be of high
18 quality with the greatest need to be more focused on regulatory use
19 and the need to ensure information is clearly communicated to the
20 users of the information in a form they can use.

21 Business processes are being significantly improved.

22 Human capital needs are a challenge but are being
23 addressed.

24 I will be pleased to answer questions.

25 MR. REYES: Chairman, that concludes the staff
26 presentation, and John Craig is available to answer any questions you
27 may have.

28 (Laughter)

29 CHAIRMAN DIAZ: Well, that certainly presents me with
30 an opportunity.

31 I want to thank Carl. And I know all of you have worked
32 hard on this. I concur with Commissioner Merrifield that the
33 background is very good, that it provides a very good foundation and
34 that we will be using it during the budget process. So if there is
35 something in there that you don't want to be held against you, you
36 might as well take it out soon because it is going to come back and

1 help us early in the process.

2 I appreciate many of the things that have been
3 happening. I think this is a very good time for all of the offices, and I
4 think everyone is going to take some succession planning, both
5 management succession planning and staff succession planning, very
6 seriously, because we do realize that unless we take it very seriously,
7 the agency will have some problems in the future.

8 And this agency has enough problems every day coming
9 in and out that we don't need any more. We need to be ready to face
10 whatever this Nation asks us. And we have been and I'm sure we will
11 continue to be.

12 So I congratulate you on your efforts in making sure we
13 are ready. I know that when many of these changes have been made
14 across the agency, people sometimes wonder whether we are taking
15 resources and putting them in the wrong place.

16 The reality is that those who know and those who care
17 use their talents in any place and in a good manner. And then it
18 propagates. And then other people learn to use those talents. And we
19 needed to be able to do that in this agency.

20 And so, again, thank you. And now, I'm going to get
21 tough.

22 Let me see, the simple issues first. We continue to try to
23 leverage our international resources and also we have tried to leverage
24 our national resources. And we do this in a very careful manner just to
25 make sure that we still maintain the decision-making and results and
26 we provide quality assurance.

27 Are we doing all we should do in this area? Are there
28 areas where we really should move forward and create pockets or
29 areas of excellence, regulatory excellence in Research where we can
30 do better?

31 Including -- I want to make sure because I think this is an
32 important area -- this area of low dose radiation research or
33 consequence analysis, in particular those two?

34 MR. PAPERIELLO: One, I hate the word "leverage." We
35 collaborate.

36 CHAIRMAN DIAZ: Let me take the word "leverage" out.

1 MR. PAPERIELLO: We collaborate. I know it has been
2 used in the past. I like "collaboration," because, in fact, that's what we
3 are doing. And it's very fruitful. Everybody collaborates. Nobody has
4 the resources to pay for a lot of experiments by themselves. So we
5 collaborate.

6 We do it domestically with other Federal agencies, with
7 EPRI. So therefore, we are collaborating with the industry. When we
8 do that, just so everybody understands what we are doing, we jointly
9 pay for experiments. We jointly design the experiments. But we
10 independently analyze the data. So we preserve our independence.

11 I just want to make that clear.

12 We do essentially the same thing with our foreign
13 partners.

14 In the case with Federal partners, it varies. There are
15 some cases where we are jointly funding work together. There are
16 some cases where we have developed a computer code, DOE has
17 taken it and said, I want to use it for a new application, which they do.
18 Some time later, we take it back, build on what they have done.

19 So there are two different ways of where this works.

20 Now, to take a look at are we doing all that we can? The
21 answer is no. That's why I raised the issue of obtaining information.

22 Let's start with the way scientists do research, reading
23 journals. I'm not sure we get everything we ought to be getting. That's
24 not to say I have identified a deficiency, except I picked up a book I
25 read over the weekend on European research. There is a number of
26 things in there that were not tapped into.

27 The European Union has a program. We have tapped
28 into NEA and some of it we are into. Other things we are not.

29 You raised the issue of low dose research. We are
30 watching what DOE does. We do nothing ourselves primarily because
31 we are looking at the size of this animal. If I could figure out a place to
32 put a half million dollars where it would do some good, I would
33 recommend it to the Commission. But I can't find a place. It just isn't
34 there.

35 And, in fact, I can look at it and look at the data. And
36 what struck me is, although I don't believe in LNT, and I have told

1 people that for years, I don't know what the equation is. I don't have a
2 replacement. And for all the critics of LNT, I have not really seen
3 anybody publish an equation. And I do a lot of reading in this area.

4 So if I could find a place where it would do some good, I
5 would recommend something. But I don't have a place.

6 CHAIRMAN DIAZ: But maybe we don't have to have a
7 program. All we have to do is put the mechanisms to make sure that
8 we are tied into that program and learn from it.

9 MR. PAPERIELLO: And I think we really are in that case.
10 We have a member that is on the U.S. delegation, UNSCEAR, and the
11 like.

12 Consequence analysis. I think we may wind up leading in
13 that area. However, having said that, I became aware that there is a
14 European program on consequence analysis. And there is a European
15 program that has been running for five years on how to respond to a
16 major contamination event in the environment. I kind of knew about it
17 six months ago. In getting ready for this meeting, I wound up going on
18 the Internet and found the web site.

19 I have downloaded a ton of stuff, but I have not had the
20 chance to read it yet.

21 This has been going on for about five years and I don't
22 know whether there is anything there we could avail ourselves yet. We
23 have not tapped into that. These are the things we need to do.

24 CHAIRMAN DIAZ: Let me go back to the answer. The
25 answer is no. Therefore, I would sense that there is a need to take a
26 look at what key areas, because we cannot cover everything, what key
27 areas we are not doing enough that will be very appropriate for
28 Research to identify and then bring them to the Commission for areas
29 in which there is a real need to resolve the issue and where there are
30 areas in which we can actually collaborate, and therefore give it even
31 better credibility because it comes from many different places with high
32 standards, we will add our own standards to it.

33 So maybe that's one area that we need to do.

34 Let me go back to one other issue.

35 Again, you mention the analysis. You mention how things
36 have changed.

1 Have we made enough progress in Research in really
2 focusing in and providing the approach to do realistically conservative
3 analysis? Has that permeated the organization so people realize the
4 tremendous value of what I call reduction of the potential relevant
5 consequences by becoming realistically conservative from the very
6 beginning but still maintaining conservatism that the decision-making
7 fits into our programs?

8 MR. PAPERIELLO: Yes.

9 CHAIRMAN DIAZ: All right.

10 MR. PAPERIELLO: But it has to be piecemeal, because
11 again, you don't open up a textbook and find an answer. You are
12 writing the book.

13 I have somebody right now looking at given what we know
14 with all of the work we have done on severe accidents, how many
15 things do we have out there that ought to be reexamined? I have
16 somebody doing that right now.

17 CHAIRMAN DIAZ: So that becomes a real issue,
18 because that would allow us to decrease or eliminate many of these
19 issues that are out there that have been alluded that they come from
20 the NRC or they have a history, and we needed to keep defending
21 them when we know that really, we don't want to defend them. What
22 we want to do is provide the right answer that says we have looked at
23 this. We have done the right analysis. These are the real
24 consequences for protection of public health and safety.

25 So we are looking at a program that must continue and
26 cover all of those areas. So in essence, you would end up with very
27 good cross sections of your programs that have already been
28 projected. MR. PAPERIELLO: I don't want to mislead you. We are
29 doing it on a case by case basis. But we don't have a systematic
30 program to -- what we are doing just on spent fuel and cask is just that.
31 It is a reduction in traditional, very conservative assumption dealing with
32 criticality.

33 But let me tell you, that has been an incredibly long and
34 difficult process to do, because of just the availability of data and trying
35 to get reliable data, some of it that we are getting from overseas is
36 considered proprietary so DOE has had to pay for it.

1 CHAIRMAN DIAZ: But it does deserve to take a
2 systematic look and try to, with time, resolve each one of these issues
3 and in a manner that actually gives you confidence that the majority of
4 the key programs have --

5 MR. PAPERIELLO: From the things that we are working
6 on -- one of the discussions I have had with Jim Dyer is -- the
7 regulatory requirements that have a lot of conservatives built into them
8 are not always in the regulations. They can be in Standard Review
9 Plans. And they can be in Regulatory Guides.

10 And I know he is reexamining the NRR -- and I'm getting
11 ahead of myself, because I know he will tell you this -- reexamining the
12 Standard Review Plan, which is also part of knowledge management.

13 You understand, you do a lot of these things, and
14 touching a whole lot of bases when you do this.

15 And both of us are talking about -- because we normally
16 do the Regulatory Guide, but looking at what Regulatory Guides ought
17 to be revised in the same thing.

18 I mentioned the earlier, I think at a briefing on
19 decommissioning we are working on Reg Guide 1.109 because so
20 much data that we have done for decommissioning is relevant to us.

21 CHAIRMAN DIAZ: Commissioner McGaffigan had to
22 leave to an appointment. So I am going to use a couple of minutes of
23 his time to talk about one of his favorite topics, risk-informed and
24 performance-based regulation.

25 So, it will serve him well. He will never leave another
26 Commission meeting.

27 COMMISSIONER MERRIFIELD: Are you splitting up that
28 time, by the way, because I might be able to use some of that as well,
29 to ask some of his favorite questions, too?

30 (Laughter.)

31 CHAIRMAN DIAZ: Don't call him. He might come back.

32 Let me just take a minute in here. I was doing some
33 reading last night. And I went back to 98-300. That was gosh -- that
34 was just when Commissioner Merrifield was just getting here, had been
35 here a year, 98-300 was that main document where we say we are
36 going to change the regulations. We are going to change Part 50. We

1 are going to have Option 1, which we did; Option 2; and then, Option 3,
2 that was going to be continuing.

3 And Option 3, as we quote from it says, "the staff should
4 pursue the study", the study of converting Part 50, "on an aggressive
5 timetable and provide for Commission approval as scheduled for this
6 activity, which the staff periodically does."

7 "The staff should periodically inform the Commission on
8 progress made in this study. And the study should determine how best
9 to proceed with risk-informing the remaining sections of Part 50."

10 That's what 98-300 said.

11 I look at this and say, what is the problem with it? Then,
12 of course, this little tiny part of me that is a little bit devilish looks at the
13 way that the staff has designated this program, risk-informed regulation
14 implementation plan. And the last two years, the RIPIP -- well, it
15 depends to where you read this.

16 But the first three letters of these programs read, "rest in
17 peace."

18 (Laughter)

19 MR. REYES: That's really aggressive.

20 CHAIRMAN DIAZ: I think the problem is in that time we
21 really needed to study how these things fit together and where are the
22 series of difficulties?

23 I think we have gone beyond that point. I think what we
24 really need is a plan on how we are going to do this, a program, not just
25 a study.

26 We know enough. If Sam Collins were here, I would say,
27 Sam, we are a learn organization, not we are a learned organization.

28 So, I think it was okay at the time. You might remember
29 the discussion I said we could do this in three years. And staff came
30 and said, absolutely no way, it will take us five years to complete this.
31 And that was seven years ago.

32 So, I think the word "study" and the way it is presently
33 being done needs to be changed. It needs to become a program, a
34 program of implementation of what we have done and how we should
35 proceed.

36 And since my time is over, and I used a minute and 26

1 seconds of Commissioner McGaffigan's time, and I will tell him I used it
2 to talk about this issue. I now yield the floor to Commissioner
3 Merrifield. MR. MERRIFIELD: Thank you, Mr. Chairman.

4 During the years I've been here, there have been a
5 number of meetings we have had, not merely centered around the
6 Office of Research, but we have been reviewing work done by
7 agencies or organizations we contracted with.

8 We have a task we want to do. We go out. We get some
9 research information. We get some work done.

10 And lo and behold, we get a work product back that we
11 are not entirely satisfied with, whether it's off the track of what we
12 wanted, whether it's for lack of a better word, "shoddy", whether it's not
13 useful, whether we got a draft and told the organization this is not what
14 we expected. And notwithstanding our instructions, they came back
15 with basically the same thing in the final. There has been a number of
16 instances of this.

17 Part of what we need to do as an organization, and
18 clearly, Research as much as anyone else in the agency has an
19 important function in a project management role of setting out clear
20 guidance for the agencies or departments or organizations that we are
21 contracting with what we expect out of a work product. What is the
22 product that we expect to get.

23 Putting in an appropriate time line for that to be
24 accomplished, setting appropriate milestones for the review of that,
25 having a draft that we would have an opportunity to review and ensure
26 that it is meeting our expectations. And ultimately, coming up with a
27 work product that is useful for the agency and based on sound science.

28 Obviously, we had some gaps in the past in our
29 effectuating that goal.

30 What are we doing in the training of our project managers
31 in the Office of Research to realign our programs and processes to
32 avoid the problems we have had in the past and to make sure the
33 projects that we have going forward meet the expectation of the
34 Commission?

35 MR. PAPERIELLO: We are doing a number of things.
36 Project manager is part of it. This is more than project managing. This

1 is technical managing.

2 Traditional project managing deals with did you get the I's
3 dotted and T's crossed in all the paperwork. For one thing, this is one
4 of the reasons I want to work on the budgeting process because with
5 the number of -- we have, I think, almost 150 job codes. Not all of the
6 projects are being worked.

7 But the paperwork is just drowning. Obviously, we need
8 time. We need some consolidation to get fewer of these things so that
9 we have time to take -- instead of dealing with paperwork -- I mean, all
10 the things you have got to do to legally do that, we got more time for
11 people.

12 Secondly, we have to look at the budgeting process. I
13 have had people come to me with projects, and I say you cannot
14 possibly technically manage this contract for the FTE you have
15 allocated. I mean, you have barely enough -- so if you turn around and
16 just throw a project over the fence to the contractor and get it back,
17 there are problems.

18 I still have problems where basically reports have come in
19 that have not been -- they are few, but the things that were -- they are
20 jarring. And in cases where I have been told, at least in one case, and
21 I believe it and I'm getting a briefing we have something in and we gave
22 it to the office that we are supporting and we had not reviewed the
23 package ourselves. It has happened in the last six months.

24 I am going to find out, get to the bottom of it and
25 understand why. I'm afraid I am going to have to fix them one at a
26 time. If it was an easy one shop, one hour training program, it
27 would be fairly easy. You have to create expectations. We have
28 added more section chief. The reason why we have added more
29 section chiefs because we didn't have enough oversight in the past.

30 So we are working on it, Commissioner. I understand the
31 issue.

32 That's one of the reasons I'm so concerned with human
33 capital, because as more experienced people leave and we have less
34 experienced people deal with the labs -- you know, you are talking
35 about somebody running up with a bunch of National Lab Ph.Ds who
36 say this is the way it is. And so I recognize some of the professional

1 push. I can understand the importance --

2 COMMISSIONER MERRIFIELD: Let me add one
3 additional layer to that, without naming the organization involved.

4 I reflect on a discussion I had with a senior manager in
5 this agency. And we were talking about an organization and work
6 product that they had produced which did not meet our expectations.

7 And the senior manager said, you know, it's funny, I have
8 been here for X number of years, almost as long as John and he said,
9 every time we have contracted with this organization, we have had
10 problems.

11 And it struck me that in a holistic way, not just within the
12 Office of Research, that perhaps there is a need in a special team sort
13 of way across the agency to, perhaps, keep book on some of the
14 people that we contract with to make sure that they are meeting our
15 expectations.

16 And there may be no answer to this today. But I would
17 like for us to think about keeping better track on the people that we
18 contract with to make sure that they are meeting our expectations for
19 work product.

20 If those organizations are not, then I think the staff needs
21 to think about a program and instruction to notify the Commission, and
22 where appropriate have the Chairman or the Commission as a whole
23 take action. If we are spending money and we are not getting good
24 work product out of some of the organizations we are contracting with,
25 we should stop. We should stop. If we are getting garbage -- the
26 American taxpayers expect us to spend money smartly. And if we are
27 not getting good product, we should not be spending it on those
28 organizations.

29 You don't need to comment on that.

30 MR. PAPERIELLO: No. I think it is excellent, because, in
31 fact, I know how to do it, because I did it when I was Director of NMSS.
32 I put an attachment to my operating plan to track every contract,
33 whether or not the work was done or completed on time and with the
34 right quality, because there was one particular laboratory in one
35 particular area that proved to be a real nightmare. And eventually, I
36 reorganized NMSS to help deal with the issue and focus all our activity

1 in the area in one section.

2 So there are ways to deal with it and I have done it
3 before. So I know how to do that.

4 COMMISSIONER MERRIFIELD: There are. And again,
5 without naming any organization or group, I think that there are some
6 out there who have come to depend on a reliable output of money from
7 this agency to continue programs and are not looking at the bottom
8 line, which is our expectation that we get a high quality work product
9 based on sound science. And I think we ought to turn off the tap.

10 CHAIRMAN DIAZ: You know, this is an issue that we
11 keep working with every year. We put it in budget space. I think like
12 with everything, I think we know enough and we have the organization
13 in place to take care of this issue.

14 We don't vote in open Commission meetings but I am
15 totally in agreement with Commissioner Merrifield that it is time to look
16 at how we actually use our funds and we use them effectively and we
17 hold our contractors accountable.

18 And that means it starts with the staff and technical
19 contract management. And we need to bring this issue to a point that
20 we said we are confident that the majority -- there is always going to be
21 something -- is being managed in this fashion.

22 MR. PAPERIELLO: I want to make it clear. This is only
23 my view in Research because I read -- I won't say I read everything, but
24 I read most things. It is rare and frankly, in most areas, we have an
25 excellent staff who is quite capable of pushing and knowledgeable.
26 But, on occasion, it happens.

27 MR. MERRIFIELD: The problem is that on occasion
28 when that happens, we get really bad products.

29 MR. PAPERIELLO: I understand.

30 COMMISSIONER MERRIFIELD: And it is product that
31 we have to live with as an agency for a long time. And I am sure we
32 can all come up with examples, and I know some off the top of my
33 head. It is better to make sure we get good quality products to begin
34 with.

35 Enough said. Without dipping into my McGaffigan's time
36 quite yet, I am going to ask one question. And then perhaps, there

1 may be --

2 CHAIRMAN DIAZ: We gave you the full amount.

3 MR. MERRIFIELD: Okay. Well, I'm going to ask one
4 question and beg the Chairman's indulgence that we have a second
5 round because I have some other things I want to ask. But a quick one
6 on this one.

7 We have been spending an awful lot of time on the issue
8 of embrittlement of reactor vessels due to pressurized thermal shock, in
9 part to determine whether the current temperature limits in 10 CFR on
10 10.61 are overly conservative.

11 And I'm wondering when is all of this going to be
12 completed so that we can move forward with the proposed rule and
13 where do we think we are going?

14 MR. REYES: I know the answer.

15 The schedule for the PPS rule has Research completing
16 the technical work by '06. And then, after that, we move with the rule. I
17 have been tracking it very closely.

18 MR. MERRIFIELD: Do we have any preliminary results
19 that you're aware of?

20 MR. REYES: Not that I'm aware of.

21 MR. BARRETT: Let me speak to that because it's in my
22 division.

23 This work is actually very far along. We sent preliminary
24 results to NRR over a year ago. They have reviewed it and they find
25 the quality to be quite high, quite high quality.

26 Since then, we put it through a peer review process,
27 including outside peer review as well as the ACRS.

28 We are currently in the process of resolving the last
29 issues with the ACRS primarily with regard to the documentation.

30 In the past few weeks, we have been talking to our
31 counterparts at NRR on how do we transition this information to NRR
32 so that they can begin the process of internalizing this information and
33 evaluating it for suitability for rulemaking.

34 When I talked to Mike Mayfield, who is my counterpart in
35 NRR -- and two months ago, I was in his job and he was in mine -- we
36 are talking about how the two offices can cooperate so that the learning

1 that's gone on in Research, in the Office of Research as we have
2 managed this project -- and it is a very complex project -- can be
3 tapped into to support the rulemaking so that this can be done
4 cooperatively.

5 I can't give you a schedule, but I believe that we can start
6 that transfer process very soon.

7 CHAIRMAN DIAZ: Commissioner Jaczko.

8 COMMISSIONER JACZKO: I have a couple of different
9 questions.

10 First one, we received, I guess it was a notice recently
11 about a reprogramming of, I think it was one FTE from ACR 700 to -- I
12 guess it was an FTE that was going to be taken off of that effort and
13 put into pre-application activities associated with the Pebble Bed
14 reactor.

15 My question on that, and this, in some sense, goes back
16 to following up on some of the Chairman's comments about making
17 sure we are focusing on important areas. Here was perhaps an
18 opportunity where we had freed up an FTE that could have perhaps
19 better been utilized in an area other than another advanced or exotic
20 reactor design that is not necessarily on the slate for potential licensing
21 activities in the near future.

22 So in short, I actually wanted a brief answer, what is the
23 status of that movement of FTE? Is that happening? Has it
24 happened?

25 MR. PAPERIELLO: Yes. I guess my view on this is that
26 the applicant asked to engage. Came in here, they had a meeting with
27 us in November. I told them there was a formal process. They
28 followed the formal process.

29 We are reining in the effort on the ACR 700, because,
30 again, that was one we were actively working on when it looked like
31 there might be -- and the applicant had serious meetings with us, with
32 NRR, public meetings. They are deferring and delaying.

33 I have somebody else in the wings. I didn't think that an
34 FTE -- I agree, an FTE is an FTE, but it's a relatively small exposure. If
35 they wanted much larger resources, I would have maybe hesitated.

36 I think we can probably learn some things that might be

1 applicable to the future reactors.

2 I don't know where we are going to go on non-light water
3 reactors over the next couple of years. I mean, obviously, I read what I
4 read in the trade press about DOE and a very high temperature gas
5 cooled reactor in Idaho.

6 If I learn some things which are useful, I figure some of
7 the resources are invested. But I discussed it with the EDO and so we
8 made the decision to go that route and inform the Commission.

9 MR. REYES: Commissioner, we view it as a modest
10 investment on something that -- it looks like the applicant wants to
11 pursue, and we would not put a lot more resources into it. But we
12 thought because of the long term involvement on the issues, we
13 needed to start.

14 Anyway, that was the rational and we made the transfer.

15 COMMISSIONER JACZKO: Changing topics a little bit.
16 One of the areas you talked about was computer codes and that's a big
17 part of what you do. One of the areas that I was kind of going through
18 and there was a lot information. One of the things that I don't really see
19 a lot on, and perhaps it is not an area that Research has been active in
20 the past, or maybe it's a difficult area to be active in, and that's issues
21 with human behavior, human factors, in particular in the materials area.

22 If you look at the abnormal occurrence report that your
23 office produces every year, the doses that we are seeing are in
24 materials area often and I don't want to generalize too much, but there
25 are often situations in which it's misapplication of sources, misuse of
26 sources, misreading of vials somewhere, or picking up the wrong vial.
27 These are very fundamental, simple things that perhaps could be
28 corrected and eliminated in a lot of occurrences.

29 What kinds of activities are going on in that area, if
30 anything at all?

31 MR. PAPERIELLO: I am going to have to ask one of my
32 division directors for that, because I don't think we are doing a lot. I
33 don't know.

34 MR. ADER: We have had a small effort to support NMSS
35 with the human factors, human reliability folks in my division. We've
36 been working with them very recently.

1 We did a feasibility report, which we delivered within the
2 last year on where you could use human reliability, human factors to
3 improve some of these areas.

4 They reviewed that, and we are in discussions almost
5 realtime now on where the next steps would be to pursue some specific
6 areas. So that is evolving but it is a small level of effort.

7 COMMISSIONER JACZKO: John, did you something you
8 wanted to add? I think we have a tendency here sometimes to want to
9 chase after -- well, not chase -- I don't mean it in that sense, but go
10 after the research that is in the areas that I think are, in some sense,
11 probably most technically challenging and most interesting from that
12 perspective which is often dealing with the reactor side of things.

13 If we really look on a yearly basis in the places where we
14 are causing harm to people, it's in that materials area, and it is often in
15 those human capital areas. And I think that it is important that we not
16 lose sight of that. It is really a crucial issue.

17 If I have a little more time, I want to ask one more
18 question.

19 I just want to say I think you have done a very good job on
20 identifying some issues recently with the fire protection with Heymc.
21 And I just note going through the materials and you did -- one of the
22 items you identified in the status -- maybe I'll just read it-- was to
23 identify areas in which fire modeling knowledge needs to be advanced
24 to support regulatory decision-making.

25 I think that is a very important area and I would
26 encourage you to focus on that. And I wonder if you could just briefly
27 touch on what kinds of things you may see happening in that area?

28 MR. PAPERIELLO: We are entering into collaboration --
29 this is an area of collaboration with other Federal agencies. As you can
30 imagine, there are a lot of Federal agencies that are interested in the
31 propagation of fires.

32 We use computer codes which NIST developed, but
33 again, you have to benchmark them against experiments. And we are
34 doing that with other Federal agencies. We are working on that with
35 other Federal agencies. And in fact, with the latest fire rule, probably
36 much more interaction with utilities who want to do the same thing. I

1 don't know -- I can't say more.

2 MR. ADER: If I could add, Carl.

3 We are supporting NRR right now in the implementation
4 of 50.48. We have a joint effort with EPRI to validate and verify some
5 of the fire models and fire codes. There's two from NIST that we
6 actively use. And industry has two. And then there is a spreadsheet.
7 That's our current effort now, is to validate and verify those.

8 We are having some preliminary discussions with DOE
9 and NIST on what would be the next steps in improving some of the
10 models we are exploring. We are doing a PIRT process, a
11 phenomenon importance ranking process to see where are some of the
12 gaps. We are using information coming out of the current V&V to help
13 inform that process.

14 But right now the folks are pretty much focused on trying
15 to get the codes verified to support the rule.

16 COMMISSIONER JACZKO: Thanks.

17 Thank you.

18 COMMISSIONER DIAZ: Commissioner Lyons.

19 COMMISSIONER LYONS: Carl, there are any number of
20 areas I would like to discuss further on this but just for a few questions,
21 and I very much appreciated both the book and your presentation.

22 I was interested in your comments on codes in general
23 where you talked about, in many cases, their dependence on empirical
24 values, and then talked a little bit about extrapolation versus
25 interpolation in the codes.

26 Several of your staff as well as folks from other offices are
27 helping us put together a series of briefings just within my office and for
28 some of the technical assistance on that very subject. And I very much
29 appreciate that support in the general area of the underpinnings of our
30 various codes and how we are validating them.

31 I wanted to comment also on your knowledge
32 management work. That looks especially interesting and very well
33 thought through.

34 I was wondering if that approach that you are using is
35 being shared with or used by any of the other offices?

36 MR. PAPERIELLO: The other offices, yes. I think Jim

1 Dyer from what -- I'm getting ahead of myself. He will tell you what he
2 is doing. But I gave him a briefing about six months ago, and he
3 seemed to have progressed better than me.

4 MR. REYES: Commissioner, it is the subject of my
5 upcoming senior managers meeting, because it is an issue that we are
6 going to take agency-wide because there is a variation in each office on
7 each profile, et cetera, et cetera. This succession planning issue is
8 valid throughout the agency. And this knowledge transfer is a much
9 needed effort.

10 So, it's already in the senior manager's meeting agenda
11 that I'm planning to have in May.

12 COMMISSIONER LYONS: I think that is truly vital. And I
13 appreciate that you are doing it.

14 MR. CRAIG: Commissioner, we are also sharing it with
15 other federal agencies. At least one other agency has adopted it in
16 large part.

17 COMMISSIONER LYONS: Good. I also wanted to
18 comment on the reprogramming of the FTE to the Pebble Bed, but
19 perhaps from a slightly different perspective, because I wanted to
20 compliment you doing it.

21 (Laughter.)

22 CHAIRMAN DIAZ: Welcome to the Commission.

23 (Laughter.)

24 COMMISSIONER LYONS: I recognize that it is a small
25 effort, and I recognize that there is no Pebble Bed licensing activity as
26 far as I know in this country in the foreseeable future. But I think there
27 is substantial activity around the world in this, certainly South Africa and
28 China. And I think, as the premier regulatory agency in the world, it
29 behooves to us be able to comment effectively as issues arise on these
30 other types of reactors, whether they are in this country or not. And
31 they may come here at some point.

32 But in any case, I was very pleased to see you do that at
33 that relatively modest level. It struck me as important in maintaining
34 that database within the agency.

35 Then, if I may comment on one more thing.

36 CHAIRMAN DIAZ: You have plenty of time. Everybody

1 has 10 minutes.

2 COMMISSIONER LYONS: One more area that the
3 Chairman mentioned in his question about additional areas for
4 Research. He mentioned the low dose radiation effects.

5 I guess I had two thoughts on that. One is a question,
6 and one may be a comment. With BEIR VII coming up, presumably,
7 reporting out -- I hear various times, but perhaps June, perhaps later
8 this year. I just wonder if you are anticipating that BEIR VII, do you
9 have enough feedback now on BEIR VII to know if it is going to result in
10 a need to re-evaluate any of our current approaches and standards?
11 Or is it just too early to ask?

12 MR. PAPERIELLO: I'm not sure I know that. There may
13 be people here. Cheryl?

14 MS. TROTTIER: Well, I don't know because we have not
15 seen the report, exactly what it's going to say.

16 My prediction is it's not going to make major changes,
17 minor changes. And I might as well state now that there's been further
18 delay, not that this is a surprise. This project has been delayed over
19 and over again, this time due to money. They are completely out of
20 money.

21 Vince, has that changed? No.

22 So they have stopped all work. So, we have a prediction
23 in the paper that's coming up to you as early as June we will have the
24 report. But it could be as late as September, October, who knows at
25 this point. But don't expect a major change here. I mean, I think there
26 will be minor changes.

27 MR. ELTAWILA: It's not NRC that's -- it is another
28 government agency that has not sent their share.

29 COMMISSIONER LYONS: I also wanted to follow up on
30 a question by the Chairman about possibly other areas for Research
31 and ask a question which may have already been thoroughly
32 considered.

33 Given that we have a large population of workers at
34 reactors for whom doses have been carefully measured over a long
35 period of years, has there been a study -- I'm thinking of something
36 similar to the so-called naval shipyard worker study that was done

1 some years ago -- has there ever been a study of an epidemiological
2 nature looking at workers in reactors, related areas who have well
3 documented dose histories over a period of years?

4 And I realize you have all kinds of confounding factors if
5 you do that. And maybe it's not practical. But has it been done?

6 MR. PAPERIELLO: I don't know. And part of the reason
7 is I'm aware of some mega studies that have been done where people
8 consolidated others. But I don't know --

9 MR. REYES: There's somebody on the staff. You have
10 got an expert.

11 MR. HOLAHAN: Yes, good morning, Vince Holahan. I
12 am with Research.

13 Jeffrey Howell last year put out a paper, it's part of the
14 IARC study that's being done. It's a 17-nation study. And late last year
15 in Radiation Research he published a report on 53,000 U.S. workers
16 where they took data from the RERS database, which is our database,
17 the REMS database, which is a DOE database, and actually went to
18 the utilities themselves.

19 And the report basically came out that there is a
20 predominant healthy worker effect. The problem is as many workers
21 are still relatively young that are being followed up, mean age is about
22 47, 48. When we start talking about solid cancers, there has not been
23 sufficient follow-up time with these individuals. It has only been 10, 15
24 years.

25 In all of those cases, there has not been any increases in
26 either leukemia or the solid cancers. The one notable exception was a
27 possible small increase in non-cancer, arterial vascular disease.

28 That is something that we are also following with the
29 Radiation Effects Research Foundation in Japan, looking at the life
30 span study of workers there, about what long term effects might be on
31 cardiovascular disease.

32 Here, we're talking about small, very small but statistically
33 significant changes in those types of diseases. So we are following this
34 up.

35 And in the following month, we also had a report that
36 came out on the Canadian workers, same type of thing.

1 So we can provide through SECY copies of both those
2 papers if you would like to see those.

3 COMMISSIONER LYONS: I would be interested. Thank
4 you. If we have another round I will add a couple more questions.

5 CHAIRMAN DIAZ: You still have a couple of minutes.

6 COMMISSIONER LYONS. Well, let's see. On the grid
7 performance study, this NUREG-1784 that you published or that was
8 published, I'm just curious as to whether that has been found to be
9 useful by other offices, by NRR, or how that study is being used in this
10 overall issue of grid reliability?

11 MR. ELTAWILA: The report is being used as part of the
12 agency action plan for the grid reliability. So we have different action.

13 As the result of that NUREG, I believe NRR issued an
14 information notice to the utility about the potential degradation of the
15 grid during summer months and make them be ready for not to have
16 any outage for the diesel generator or something like that during the
17 summer months.

18 So it is being used by the agency. It is being used by
19 other agencies. NERC and FERC are interested in the report, and they
20 are using it in their study. And they will make the report available to
21 INPO and to the utilities who are using it.

22 But the main use here in the agency is the agency action
23 plan on the grid, and you will be briefed on that. And the I believe the
24 information -- related to the grid degradation during summer months.

25 MR. REYES: If I could add. We shared that with INPO
26 an insight of that document among other things, was using an industry
27 workshop that we participated on. And I have talked both with industry
28 and the staff. And they feel that a lot of good information was shared in
29 that workshop. Part of it came out of the document you were just
30 referring to.

31 COMMISSIONER LYONS: Thank you.

32 CHAIRMAN DIAZ: Okay. Quick second round in here,
33 thermal hydraulic codes. Are we finished with a five-year plan? We
34 started with a new plan. I understand we finished with the originally
35 planned architecture with it. Where are we? What are we doing now?
36 We are confirming the codes, making more use? Where are we in

1 thermal hydraulics?

2 MR. ELTAWILA: Mr. Chairman, as you indicated, we
3 completed the consolidation activity and we have a single code called
4 the TRAC code that embodied all the information from the other
5 codes. Where we are right now in our plan is trying to bring the
6 code, the new code to the same level of assessment as the other
7 codes. So we have an extensive assessment program.

8 As far as the code architectural changes and things like
9 that, that has been completed. What's being changed right now is the
10 direction that the agency is taking, for example, about risk-informed
11 regulation. And so we want the models in the code to be more
12 accurate than the model that existed in the code before.

13 So we have conducted thermal hydraulic experiments,
14 and we are developing improved model to be incorporated into the
15 codes. So the phase that we are in right now is assessment and
16 physical model improvement.

17 CHAIRMAN DIAZ: Is that like fine tuning?

18 MR. ELTAWILA: No, it's not -- it is really -- there were a
19 lot of conservatism in the code. So, it is not fine tuning. If you want to
20 take credit for all the science or the existing margin that exist in plans,
21 you want to have a better model to be able to calculate that margin. So
22 it is not in the fine tuning area.

23 CHAIRMAN DIAZ: When is that going to be completed
24 so we can say this is a product that then we can do fine tuning to?

25 MR. ELTAWILA: I believe we are planning to issue
26 another version of the code in 2006.

27 But again, as Carl indicated, we will continue to update
28 the codes. But we will be able to use the code in regulatory activities
29 full fledged and move from the other codes into that code by fiscal year
30 2006.

31 CHAIRMAN DIAZ: 2006, all right.

32 Commissioner Merrifield?

33 COMMISSIONER MERRIFIELD: Two quick questions.

34 The first one is, you mentioned very briefly the fact we have been
35 conducting extensive work regarding credit for fuel burnup for
36 transportation casks and storage casks.

1 Are we on schedule on these issues and do we foresee
2 any delays in coming to a resolution on our research? It has been
3 underway for a long time and I'm trying to get some sense of when the
4 end of the tunnel is.

5 MR. ELTAWILA: NMSS has issued interim self guidance
6 number 11, which is being used by utilities right to you for partial
7 burnup credit.

8 What we are working on is the refinement to be able to
9 give them additional credit for the fission product. And that will allow
10 them to move more of the high burnup fuel.

11 They can still load the cask with that fuel but there will be
12 a penalty associated with it. But in order to encompass all the fuel that
13 exists in the spent fuel pool, we need the fission product credit.

14 We are on target at NRC, but you know, as Carl
15 indicated, the information is going to be coming from DOE.

16 DOE is negotiating with COGEMA . The minute that this
17 information is bought by DOE and made available to NRC, will be
18 within a year to be able to provide this update for NMSS for their
19 consideration.

20 But the stumbling block is the negotiation between DOE
21 and COGEMA.

22 COMMISSIONER MERRIFIELD: So we need to get DOE
23 to help us here?

24 MR. ELTAWILA: It's COGEMA, actually that --

25 COMMISSIONER MERRIFIELD: Okay. Yes.

26 The second one is sort of a two-part question but I want
27 to make it sort of succinct. I had an opportunity recently to review a
28 variety of training materials regarding management of technical
29 engineering staff. There were two interesting data points I found in it.

30 One is that for workers who are coming out of college,
31 people who you bring into the agency, that the first assignment that you
32 give them is quite critical in the development of their career.

33 If you give them something that has been languishing for
34 a while, to sort of stick them off and don't give them the appropriate
35 training, mentoring and worthwhile work, it can have a negative impact
36 on their development in an organization such as ourselves.

1 The second data point is that for workers who are over
2 the age of 55, sort of a curve, the interest of workers in following a
3 management track, following a technical track, where they are in that
4 area depends on their age. And it varies during the course of each
5 individual's career.

6 After individuals who are not in management get to the
7 age of about 55, there is a much greater degree of interest in being
8 involved with projects of their interest. That's the real motivator
9 between that age of retirement. High job satisfaction is associated with
10 being involved in projects that are new, meaningful and interesting.

11 My two-part question is: What are we doing here relative
12 to training opportunities for folks who are coming in the door? And
13 what are we doing for folks who are in that 55 to 65-year-old time
14 period in involving them in areas of technical expertise?

15 MR. PAPERIELLO: Well, we have the professional
16 development program for entry-level people. And our program more or
17 less models what the rest of the agency is doing. We are part of that
18 program.

19 I can't say that we have any particular program or focus
20 for individuals that are over 55. And, in fact, I don't always know the
21 age of my staff. I say in some cases I do know the age of the staff. I
22 certainly may know when people are maybe well over 55.

23 But no, we don't have any particular -- but by and large,
24 the office is oriented around projects. And we don't have -- perhaps
25 maybe in a PRA and some of the risk areas, you generally have more
26 people with a similar sort of occupation. But in many of our areas, you
27 only have a couple of people.

28 People are ultimately working on a project. And I think a
29 lot of them -- in fact, if you look at the number of years people stay
30 beyond retirement eligibility, I think they must be liking what they do.

31 COMMISSIONER MERRIFIELD: You gave an excellent
32 presentation today in terms of management of human capital and
33 knowledge management. And I think we just need to make sure that
34 we are thinking about as we go and bring great people into the
35 agency -- which I think we're doing right now -- that when they get here,
36 that they are put into positions that are meaningful and are going to

1 allow for their development and motivate them to stay here.

2 I think we need to think about for individuals -- and a lot of
3 human capital management, obviously, goes with succession planning.
4 Do you have the right people in your management chain?

5 But I think we need to be mindful of folks who are not on
6 that management chain, particularly in the technical track. Are we
7 providing opportunities for people who are not there to continue to
8 contribute in a productive way through the course of the remainder of
9 their career here at the agency? And I think we need to think about
10 that.

11 MR. PAPERIELLO: I understand that. But don't
12 misunderstand me. I think from some previous meetings some things
13 like, people don't want to go into Research because it's career
14 deadening. The data does not support that.

15 The fact of the matter is that if you take -- I took a look at
16 a one-year period, most of the period when I was in Research. Thirty
17 people left Research. Half of them went to other parts of the NRC. For
18 the 30 people who left, half of the replacements came from other parts
19 of the NRC. Of the 15 -- about 15 who left the agency, all but two
20 retired.

21 So out of those 30, there were only two quits. So I don't
22 really see that kind of turnover that would indicate that people are
23 unhappy. So I think we are giving them meaningful work.

24 We have worked very hard this past year to rotate people
25 to other parts of our staff to the NRC. And a lot of people, SES
26 candidates and others, have sought rotations in Research.

27 So I think we are giving people an opportunity to grow and
28 find where they want to serve in the agency. And on top of the whole
29 thing, I really think -- I am in sympathy with the fact that I think people
30 need to work in various places, and not only that the issue of interesting
31 work isn't confined just to include managers.

32 CHAIRMAN DIAZ: Right. But I do believe Commissioner
33 Merrifield is making a broad statement that in reality, we have a wealth
34 of knowledge and skills in people that are 55 -- I'm still not there -- but,
35 Karen, you can't laugh -- let me finish.

36 I think that sometimes we need to realize that you being

1 at a job, you have been doing it -- a little bit of stimulus, a little bit of
2 training, a little bit of making them out. And you have received that. I
3 mean, you are practically a spokesman for having changed jobs and
4 getting to a new way of doing things. And so I think a little bit of that is
5 important.

6 We can't forget all the tremendous talents that we have of
7 people that are already mature, myself included, even if you want to.

8 MR. VIRGILIO: Chairman, I just wanted to go back to
9 Commissioner Merrifield's first point. With regard to the nuclear safety
10 professional development program staff, I think we suffered a lot of
11 inefficiencies early on in that program. But we recognized it, and we
12 put a really good project manager in place, Donald Lamb from the
13 Office of Human Resources.

14 In each of program offices, we put somebody like Donald
15 Lamb. I know at NMSS, we have Eileen Miller who is doing this work.

16 They are watching to make sure and engaging with these
17 professional staff to know whether they are getting meaningful
18 assignments.

19 I know as an office director, I spend a lot of time with that
20 group. I know Carl does meet periodically -- and Carl just recently
21 reported back to me he had a meeting and what he got was the
22 feedback is they are feeling engaged, they are getting meaningful
23 assignments.

24 So we fully agree with you of the importance of ensuring
25 that that first assignment or first series of assignments are viewed as
26 meaningful, that the people feel like they have an opportunity to
27 contribute.

28 On the other end of the spectrum, both Luis and I, when
29 Luis was in Region II and I was in NMSS, had a contractor come in and
30 do an organization assessment. And they really impressed upon us
31 your second point of making sure that people feel, at the mid point or
32 toward the end of their career, they have an opportunity to do what they
33 feel is a contribution to the agency and do what they do best.

34 And based on that, I know we actually did move people to
35 allow them an opportunity to work in areas where they had a talent,
36 they had an interest and they actually could make a better contribution

1 than they were in the jobs that they were formally considered.

2 CHAIRMAN DIAZ: Thank you.

3 Commissioner Jaczko?

4 COMMISSIONER JACZKO: I just want to ask one
5 question: There was a December 2003, the reactor operating
6 experience task force report. In that, they identified some problems
7 with the GSI process, and in particular they said there was reluctance
8 to initiate the process because it is so protracted.

9 Are you familiar with that report? And are there efforts
10 underway to address that?

11 MR. CRAIG: I'm familiar with the report. We had major
12 revisions to the generic issues program and it was recently -- I think it's
13 Management Directive 6.4. And indeed, it was unwieldy. It was
14 bureaucratic. And it took a great deal of time in the past.

15 It's been revised where the specific stages are clearly
16 defined. There is an interoffice group to make sure the issue is clearly
17 articulated and understood before it actually gets considered to go into
18 the process.

19 If you look at some of the notable examples in the past, it
20 took a long time. It was because the issue was more fog than
21 substance, and yet the decision-makers launched, put the generic
22 safety issues title on it, even though they had not determined it was a
23 real safety issue because they had not defined what the safety issue
24 was.

25 So the new management directive has made a significant
26 improvement in that process.

27 It also gives it more discipline and rigor. There are some
28 time milestones set for each stage. And the hand-off to the applicable
29 program office is more clearly defined. So I think it's working more
30 smoothly.

31 MR. REYES: From my point of view, the resolution of the
32 issues is probably the best marketing for the system, because then
33 people will be willing to come forward and raise the question whether
34 this is a potential generic issue or not.

35 I think John is right on. Once you define it, then you have
36 to have a process where you can measure progress and tell people

1 what you are doing about it.

2 CHAIRMAN DIAZ: Thank you.

3 Commissioner Lyons.

4 COMMISSIONER LYONS: I wanted to comment on the
5 very impressive figures that you showed on your human capital
6 experience, where you have gone from looking at the over 60 to under
7 30 ratio. Just very, very impressive performance from a ratio like 15
8 down to a ratio of like 2 in a few years. I don't know how many staff -- I
9 don't know what the number of staff is that had to change to make that,
10 but that is very impressive.

11 MR. PAPERIELLO: As I said, in a year, we had a
12 turnover of roughly, 30 people. As I said, half only them went to other
13 parts of the NRC and half came from other parts of the NRC. And then
14 we have hired a lot of people off the street. And a lot of the people we
15 hired as new employees were in the professional development
16 program.

17 So that had a lot to do with it.

18 MR. REYES: Let me just give you an agency
19 perspective. Five years ago, we had a ratio of about 6-1, in that same
20 category. Today we are closer to 2-1. And there was an initiative from
21 the Commission, actually, to the staff to take action.

22 We have some goals of our new employees. How many
23 are entry level and trying to do such things as knowledge transfer, et
24 cetera, et cetera. So it is part of the succession plan.

25 But there's been -- every office director has put a lot of
26 energy in this same area.

27 COMMISSIONER LYONS: That is really impressive and
28 most commendable. I guess from the comments being made among
29 the Commissioners, I'm not sure what the ratio would be from the
30 Commission. Maybe below zero.

31 MR. REYES: We're not asking. We are not asking.

32 COMMISSIONER JACZKO: I think it's 4-1.

33 (Laughter.)

34 CHAIRMAN DIAZ: That's going to cost you.

35 COMMISSIONER MERRIFIELD: Just to inform one of
36 our new Commissioners, and this is only something I have learned in

1 the last year, under federal law, it is -- the age point for discrimination,
2 age discrimination is 40. So let's be very careful about what you say.

3 (Laughter.)

4 COMMISSIONER LYONS: The only other comment I
5 wanted to make, when the ACNW folks were here, we had a very good
6 discussion with them, and also there were some discussions off line.
7 They had mentioned a strong interest in the package performance
8 study as that moves ahead.

9 Carl, you mentioned that paper is actually in our office. I
10 have not seen it yet.

11 But I will be curious to know if ACNW has had a chance
12 to look at that or comment on it. They, at least expressed a strong
13 interest in doing so. I think that would be a very useful set of inputs.

14 MR. PAPERIELLO: We have had a lot of briefing with
15 them. But when you ask me this specific paper, I don't think --

16 CHAIRMAN DIAZ: They have not commented on it yet.
17 They have commented on the previous one.

18 All right. Very good. Thank you so very much. We really
19 appreciate sitting here with you and not only hearing from you, but
20 provide you some of those little things that concern the Commission.

21 I look forward to a wonderful SRM, there are so many
22 good things in there that the Commission brought up that I believe will
23 provide guidance and stimulus to the staff. Good luck to you all in the
24 budget process. We look forward to keep working with you.

25 We are adjourned.

26 (Whereupon, the hearing was adjourned.)
27