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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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BRIEFING ON REGIONAL PROGRAMS -- PROGRAMS,
PERFORMANCE, AND FUTURE PLANS

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THURSDAY

APRIL 8, 2010

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The Commission convened at 9:30 a.m., the Honorable
Gregory B. Jaczko, Chairman, presiding.

NUCLEAR REGULATORY COMMISSION
GREGORY B. JACZKO, CHAIRMAN
KRISTINE L. SVINICKI, COMMISSIONER
WILLIAM D. MAGWOOD, IV, COMMISSIONER
WILLIAM C. OSTENDORFF, COMMISSIONER

1 NRC STAFF

2 BILL BORCHARDT, EXECUTIVE DIRECTOR FOR OPERATIONS

3

4 SAM COLLINS, REGIONAL ADMINISTRATOR, REGION I

5

6 LUIS REYES, REGIONAL ADMINISTRATOR, REGION II

7

8 MARK SATORIUS, REGIONAL ADMINISTRATOR, REGION III

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10 ELMO COLLINS, REGIONAL ADMINISTRATOR, REGION IV

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1 P-R-O-C-E-E-D-I-N-G-S

2 CHAIRMAN JACZKO: Good morning, everyone.

3 I think we have a first of a kind

4 opportunity today.

5 I think this is the first time we've had

6 all four Commissioners together -- I'm sorry, all

7 four, well all four Commissioners in a little

8 while, and all four Regional Administrators and so

9 far there have been no natural phenomenon.

10 MR. SATORIUS: No mutinies.

11 CHAIRMAN JACZKO: No mutinies or no explosions or

12 anything like that, so I think this will be really a great

13 opportunity to hear from all of you about the important work

14 that you do to make this agency successful.

15 Although perhaps I should say there was, perhaps, an

16 omen in February when this meeting was originally

17 scheduled.

18 We had the most significant snowstorm I

19 think that we had had in a long time, but I think

20 the advantage of that was that it pushed this

21 meeting back so we have an opportunity with new

22 Commissioners, to hear from all of you as well.

1 So, that was a blessing in disguise.

2 The -- as I said, I think the Agency really
3 can't meet its mission unless the Regional offices
4 are working efficiently and effectively.

5 The four Regions really -- they just play
6 such an important role in so many different
7 regulatory areas, and really the implementation of
8 some of the important policy that we make here at
9 headquarters, and really, it gets down to those
10 fundamental really most basic activities of
11 inspection and oversight that the Region is really
12 crucial in implementing.

13 With that goes a lot of important policy,
14 and I think this is a great opportunity for us to
15 hear directly from you about how things are working
16 and what kinds of things we may need to change or
17 make improvements to.

18 It's certainly critical that the Regions
19 have a skilled experienced staff and the
20 necessary financial resources to meet their
21 important responsibilities, and I'm confident
22 that's true today of all of the Regions.

1 We should not forget that the Regional
2 staff is the face of the agency to many of our
3 stakeholders and much of the public, so it's really
4 a prominent role, an important role in our
5 interaction with members of the public. And I don't
6 think we can meet our important goals of openness
7 and transparency without the important work that
8 you and your staff do every day to interface with
9 the public, to interface with licensees, and a lot
10 of other individuals.

11 So, I look forward to discussing these and
12 other issues this morning with our four Regional
13 Administrators, and I would ask if any of my fellow
14 Commissioners would like to make any remarks.

15 COMMISSIONER SVINICKI: Yes, Mr. Chairman, I -- we
16 all get criticized for bringing terminology from elsewhere,
17 but with Commissioner Ostendorff here, I have such good
18 company that I sometimes say that our Regional staff -- you
19 said they are the public face, I think they are the boots on
20 the ground.

21 So, I look forward to hearing from their
22 senior leadership today about the important work of

1 the Regions.

2 Thank you.

3 COMMISSIONER MAGWOOD: Thank you, Chairman.

4 I'm looking forward to hearing what you
5 have to say and looking forward to spending some
6 time with each of you personally.

7 It's good to see you again, Luis.

8 One of the things I hope to do over the
9 next few months is come out and visit, and look
10 forward to scheduling a time to do that with all of
11 you.

12 I think you are doing some very exciting
13 things and doing some very important work, and I
14 look forward to being a part of that.

15 Thank you.

16 COMMISSIONER OSTENDORFF: Good morning.

17 I'm very excited to be learning from you
18 this morning and echo my colleagues' comments about
19 your being on the frontline, where the rubber meets
20 the road, on so many different issues that are
21 really the face of the NRC with the industry, with
22 the public, and I'm looking forward to hearing from

1 you.

2 Thank you.

3 CHAIRMAN JACZKO: Thanks.

4 I think we had "boots on the ground" and
5 "rubber meets the road" so I think we covered all
6 the analogies.

7 Bill, I will turn it over to you.

8 MR. BORCHARDT: Thank you, good morning.

9 There's about 1,000 people that work in the
10 Regional offices, and I would just like to start
11 off by congratulating them for their valuable
12 contribution to the NRC and to our safety mission.

13 They are, as has already been mentioned,
14 the people that focus on safety every single day.

15 My colleagues at the table do their
16 absolute best to make sure that the political
17 distractions don't impact the inspectors as they go
18 about doing their day-to-day functions, and I think
19 the Regional Administrators and the Regional staff
20 do an excellent job on staying focused and
21 reminding headquarters, at times, of what our real
22 job is.

1 In addition to that frontline focus on
2 safety and security, they're also the day-to-day
3 contact with the licensees, with the general
4 public, and all of our stakeholders.

5 In addition to that, they are the first
6 responders to any event, no matter how significant
7 or how seemingly insignificant it might be, it's
8 the Regional office that is the first one to play
9 an active role in the follow-up and helps to set
10 the agency on a path toward the appropriate
11 response.

12 That's done 24/7 and it's a job they take
13 great pride in.

14 In addition to those activities, they --
15 well, in addition to implementing the inspection
16 program, they also support numerous program office
17 initiatives.

18 Things like license renewal where they're
19 directly involved in the license renewal activity
20 through various and specific inspections.

21 That's a very important support role to the
22 licensing function.

1 In May of this year we're going to have the
2 reactor oversight program Commission meeting.

3 During that meeting we will focus on
4 reactor performance, material licensee performance,
5 review our annual assessment of the reactor
6 oversight program.

7 Today's briefing in no way even attempts to
8 cover the full range of responsibilities to the
9 Regional offices, but rather what we've done is
10 just selected four topics that are of a
11 cross-cutting nature.

12 We think they have embedded within them, if
13 not policy issues per se, at least issues that are
14 of a Commission interest and things that we would
15 value Commission input on regarding how we
16 interface on with the stakeholders, human capital
17 issues, and the other topics that are on the next
18 slide.

19 So, without any further ado, I will turn it
20 over to Sam Collins who will begin today's briefing.

21 MR. COLLINS: Thank you, Bill.

22 The agenda is on slide 2.

1 I would like to say good morning, Chairman,
2 and Commissioners.

3 I'd like to acknowledge -- I am going to be
4 specific to the Regional actions today in our
5 initiatives; however, they cannot be performed nor be
6 successful without the support of the program
7 offices and our corporate arena who contributes
8 significantly to the success of stakeholder
9 outreach and communications.

10 It is my pleasure to lead off discussions
11 representing the four Regions here this morning,
12 and I thank the Commission for your support in this
13 important area, including many policy decisions
14 which have helped provide us guidance and
15 implementation standards.

16 This is a dynamic area, as you know.

17 It is important to the Regions.

18 Our communication is aligned with the
19 transparency and predictability and clarity that's
20 necessary for us to be effective regulators.

21 Although Region I is, perhaps, our frequent
22 flyer in this area and we have many high-profile

1 topics to discuss at all times, the Regions, too,
2 have common challenges and some unique challenges.

3 Region II, for example, has new reactors
4 and fuel facilities.

5 Mark, in Region III, has had to communicate
6 the recent Davis Bessie events and the Veteran's
7 Affairs materials.

8 The currents, in Region IV, Elmo has had
9 Yucca Mountain and high-profile facilities there
10 also.

11 So, we do have commonality of effort and
12 structure, and I think we also have common
13 challenges that I will get into in just a moment.

14 I'm going to talk a little bit about the
15 level of effort, the organization linkages for
16 success, some best practices, and ongoing
17 initiatives.

18 Slide 4, I'll talk a little bit about the
19 routine communication and outreach, which includes
20 inspection, the meeting notices, the exits, the
21 enforcement areas; all of those are routine product
22 lines, but some are clearly heightened by stakeholder

1 interest, or in some cases, the novelty having to
2 do with the specific event or occurrence.

3 Many of our stakeholders are elected or
4 appointed officials, citizen's advocacy
5 organizations, and clearly, the media.

6 We are an integrated organization, we
7 depend heavily on the Office of Congressional
8 Affairs here today, as well as Public Affairs,
9 Eliot and his team.

10 Our outreach is defined by: defining which
11 process we're in, reaching alignment amongst the
12 constituencies internally, and then executing.

13 There are unique situations which influence
14 some of those best laid plans, and we can't always
15 predicts those but we learned those lessons and we
16 move forward as a better organization.

17 We do have strategy sessions that Bruce
18 sponsors in order to ensure that we reach alignment
19 before we embark on some of the more higher profile
20 initiatives.

21 In our reactive time and our communication
22 means can and is influenced by technology, and I

1 think we have some examples of that recently.

2 The contamination event at Three-Mile
3 Island during their outage, where they had the hole
4 in containment for the steam generators.

5 Individuals who are waiting in line to go through the friskers
6 were making cell phone calls and text messages, and the
7 press had those issues before the State had those
8 issues, and we were clearly in a reactive mode
9 there.

10 There are some lessons learned there, but
11 some of that I think we'll have to understand
12 better and try to keep up with technology, or
13 reinvent our processes to accommodate that.

14 Slide 5, a little best practice notations
15 here.

16 Building networks and relationships and
17 trust is important in a proactive sense. It's not
18 good enough in the stakeholder environment to be in
19 a reactive mode and be calling people for the first
20 time with critical conversations and bad news, as
21 it would be perceived.

22 We need to form those relationships ahead

1 of time, invest in those relationships and
2 processes, and then depend on those links when it's
3 necessary in order to communicate effectively.

4 The Regions share lessons learned and best
5 practices, I think the open house concept would be
6 one of those, the use of facilitators for public
7 meetings might be another.

8 The NRC is investing in our learnings, and
9 I want to acknowledge at this point the role the
10 State Liaison Officer and the Public Affairs
11 Officers in the Regions. They're sponsored clearly
12 by the program offices who they report to, but they
13 are an integral part of our organization and they
14 do a lot of our outreach, and they are responsible
15 for performing those networks and links to elected and
16 appointed officials, State Liaison Officers, for
17 example, and the media frontline.

18 I would offer that one of our lessons
19 learned, and this also is noted in the safety
20 culture and climate survey, and that is engineers
21 by heart are scientists by heart.

22 We have to be effective communicators. We

1 have to be willing to learn those talents, assume
2 those roles, and in some cases, hire individuals
3 who have the propensity for that.

4 That's a little different, perhaps, than we
5 have had in the past, I think there's some lessons
6 learned also internally from the Safety Culture and
7 Climate Survey, that would indicate that at the
8 first-level supervisor, the Branch Chief level, it
9 is important that those attributes be recognized
10 and be incorporated into the effective supervisor
11 role.

12 So this outreach and communications I'm
13 speaking to, I have a tendency to focus that
14 outwardly at the program, but it's an internal NRC
15 issue also and some of those campaigns are similar,
16 but some require different approaches, obviously.

17 Slide 6, we'll talk about the challenges
18 here.

19 One is the accountability for the
20 investment of resources. We incorporate stakeholder
21 outreach and communications into our job. It's
22 incorporated into the inspection program at some

1 level; otherwise, it's assumed to be the responsibility
2 in the overhead structure and that is a burden
3 assumed, and an opportunity assumed, typically by
4 the Branch Chiefs in the Region, which is our first
5 level supervisor and our frontline management role,
6 and also as you move through the organization and
7 the SES roles it is clearly tiered through the
8 organization.

9 Developing areas, and some of these are
10 policy areas that you've provided direction, open
11 government would be one with the website, the new
12 approach to Freedom of Information Act is sponsored
13 by the administration.

14 The open government plan was issued the day
15 before yesterday and that is available, and there
16 are some specific portions of that that deal with
17 stakeholder outreach and communication.

18 We have a public perception study, which
19 the Commission has provided an SRM on the web
20 redesign and NSIR has an initiative in risk
21 communications, which I think is worthy of note.

22 Focus just for the moment on the corporate

1 support offices, that critical role which I
2 mentioned earlier in my introduction -- that has to
3 do with the fielding of the Freedom of Information Act, meeting
4 logistics; and support frontline communications,
5 meeting security from the Office of ADM, IT
6 support for the types of meetings, and we can't
7 forget that when someone calls the agency, our
8 first line of communications is the person who
9 answers the phone.

10 That typically is our administrative
11 support and they are the first impression and they
12 do a wonderful job with that, and we have a high
13 reputation because of that link.

14 I will be remiss if I didn't mention the
15 Regulatory Information Conference and the value
16 that that has for communications and stakeholder
17 outreach, and I would balance that with the current
18 challenge we have in explaining our roles and
19 responsibilities for tritium and risk
20 communications in that area.

21 That is a developing area.

22 Chuck Casto, as you know based on

1 Commission direction, is heading up a task force in
2 that area that would help us in the long run.

3 Slide 7, going forward, I would like to
4 talk and mention a little bit about the Federal
5 family.

6 We talk about stakeholders, we are also
7 talking about FEMA, EPA, DHS and those links.

8 Investing in trust establishing that
9 network in risk communication.

10 Technology, we have a lot of technology
11 coming down the pike that we perhaps could
12 leverage, but that is balanced in the accessibility
13 arena by the potential security risk, and we have a
14 recent report on that which was highlighted
15 yesterday by OIS and I think there's some
16 considerations there that need to be worked through
17 before we start to twitter and tweet and understand
18 what's on the blogs and Facebook.

19 The recognition of the internal challenges,
20 I would just touch on that for a moment.

21 The types of meetings we have and the
22 communication in the line, the skip level meetings,

1 the messages from Bill, the brown bag lunches, all
2 of those have focused towards internal
3 communications.

4 We have internal stakeholders, as well as
5 external.

6 That probably warrants a second discussion
7 to give it due justice, but it is noteworthy.

8 With that, I would turn to the next
9 speaker.

10 I've tried to provide an overview.

11 I welcome your questions at the end of the
12 session, and the next session will be Luis Reyes,
13 Region II Regional Administrator.

14 Luis's topic is Regional human capital
15 issues.

16 Thank you.

17 MR. REYES: Thanks and good morning Chairman and
18 Commissioners.

19 I'm going to try to briefly address the
20 Regional human capital issues.

21 First, I think I'm going to expand a little
22 bit on what Bill mentioned.

1 We have a third of the agency employees in the
2 field, located among the four Regional offices.

3 The four Regional offices are the closest
4 thing that the NRC has, what you will refer to as
5 a cost center.

6 Not only do we implement the programs, but
7 we do the support of those individuals from the
8 building security, to interfacing with the landlord
9 for maintenance, procurement of supplies,
10 contracting, travel support, et cetera, et cetera.

11 We function the closest you can say about a
12 cost center.

13 That is relevant to my discussion in terms
14 of our resources.

15 Because of that, we need individuals that
16 are highly skilled subject matter experts, but also
17 have other attributes.

18 Sam just referred to one of them as being
19 good communicators, both written form and oral form
20 because, in fact, they are in front of the public
21 and our stakeholders all of the time.

22 So, keeping our inventory of those

1 individuals and their skills is a challenge that we
2 have to maintain.

3 We have a very detailed activities that are
4 regarding succession planning and that includes,
5 not only the technical staff, but we carry that
6 through the middle managers and the executives,
7 also.

8 We have quite a few strategies to make sure
9 that we can close any gaps we have, whether it's a
10 technical skill or administrative skill.

11 We hire entry-level employees that are in our
12 nuclear safety development program, we also hire
13 mid-career individuals and help them become a
14 regulator.

15 They may be a subject matter expert, but
16 they need to know how to do conflict resolution,
17 etc., etc..

18 We talk a lot about closing strategies
19 specifically on the technical side of the house,
20 but it is very interesting that in the Regions one
21 of the biggest challenge is the administrative
22 side.

1 The reason being we may have one individual
2 in the Region who is a procurement person, and we
3 don't have two, we don't have one and a half, and
4 if that person were to leave or -- for whatever
5 reason, those gap closures are a lot more
6 difficult.

7 Sometimes that doesn't come across, but I
8 think the four of us will say that sometimes the
9 difficulty in keeping the administrative staff
10 skills, we're geographically, physically separate from
11 here on campus, you can move people around
12 buildings et cetera, et cetera.

13 That is an issue we do spend a lot of
14 energy on.

15 In talking about future challenges, on the
16 technical skill side, we listed here the operator
17 licensing staffing as in regards to new reactors.

18 I know you were briefed earlier in the week
19 on the new reactor designs, but this presents a
20 real long-range planning and execution challenge to
21 the four of us.

22 We have abundant resources in the future

1 budgets that are proposed, in terms of being able
2 to deal with this workload.

3 The problem comes in the execution.

4 I will take a minute just to make my point.

5 As of now, we only have one ABWR proposed
6 in the country, it is physically in Region IV, and
7 when you license a new facility you need a lot
8 of operators and utilities propose a schedule that
9 is a large number of exams in a very short amount
10 of time.

11 In order for us to be successful there, we
12 have to have examiners that are trained and
13 certified, been to the simulator, write the exam, validate it,
14 etc, etc..

15 But if you only have one design in one
16 Region, it does not make a lot of sense for the
17 other Regions to train, certify examiners, etc,
18 etc, in that particular design.

19 In the case I'm providing you the example,
20 Region IV would have to prepare to do that.

21 Except there's a lot of operating plants in
22 Region II, I mean in Region IV, and they will need

1 help with giving exams in the remaining of the
2 fleet.

3 We will have an actual integrated effort to
4 be able to accomplish this.

5 If you multiply that example by many others
6 for the different designs, and you shrink it in the
7 window of time we are talking about, it is a
8 considerable challenge we have forthcoming.

9 We're planning for it, we're working with
10 each other, and I just wanted to highlight to you
11 that that is one of the challenges you are probably
12 going to hear in the future that we have in front
13 of us.

14 Can I have slide 9, please?

15 Since the 1970's, the agency has implemented
16 a resident inspector program.

17 Through that, more than a quarter of a
18 century of implementation we have learned quite a
19 few good lessons and we have implemented
20 countermeasures to be more successful than we have
21 been in the past.

22 One of them is the Resident Inspector

1 Development Program, I will briefly touch about
2 that because I think the four of us believe that
3 that is a key addition to this program that has
4 helped us resolve some issues from the past.

5 What it is, as you know the residents
6 inspectors are at the plant, they are
7 geographically separate from not only the main
8 campus here but the Region, and a short-term notice
9 for departure creates a gap, our program assumes we
10 will have people there all the time, but
11 individuals have to be trained, certified in order
12 to implement the program.

13 In the past, we did not have the bench
14 strength of individuals that were being trained,
15 certified, and knew they would be deployed out to
16 the field.

17 The Resident Inspector Development Program
18 provides for that.

19 It has helped a lot of our concerns in the
20 past of being able to successfully implement the
21 program.

22 I want to thank the Commission for your

1 support in terms of the budgeting this effort, and
2 I want to mention it so we keep the policy the way
3 it is and we don't learn the lesson again.

4 I think those were good measures after some
5 of the hard lessons.

6 Another lesson we learned and it's been
7 very effective is what we refer to as double
8 encumbering.

9 In those situations that we know somebody is
10 rotating, either the rotation policy or for another
11 matter, being able to deploy a replacement and have
12 some overlap in transition.

13 You have geographical moves with families.
14 Sometimes you have two individuals who are
15 professionals, the spouses are also professionals,
16 they're all kinds of difficulties in this
17 geographical relocation.

18 Being able to make sure we have an overlap
19 and we can early make those decisions, has helped
20 us greatly.

21 We want to make sure we continue to do that
22 and we are prepared to do that.

1 Can I have slide number 10, please?

2 Last year we provided the Commission an
3 information paper on all of the flexibilities we
4 have, and you supported us to continue to have
5 those, and we want to tell you we are exercising
6 those.

7 It is needed.

8 Our people are very capable, they are high
9 skilled asset, not only for us but for outside
10 organizations to.

11 So, retaining those individuals and being
12 able to have them serve our mission by relocating
13 their families, working spouses, and all of that,
14 it's important that we keep the flexibilities we
15 have in terms of retention, incentive, and
16 relocation incentive.

17 As you know from the news media and maybe
18 you've seen it yourself, we have some issues with
19 the real estate market now, so we see some
20 challenges coming ahead.

21 We are very attuned of what some other
22 government agencies are doing.

1 We are not the only ones who have field
2 employees.

3 DHS has a pilot program, they do have
4 custom agents and things like that, trying to try
5 some things on the GSA in terms of relocation.

6 The pilot is over with, we are aware of it,
7 we are very attuned to that and see if we can
8 leverage some of those lessons to improve our
9 program.

10 Can I have slide 11, please?

11 We feel we have a very experienced and
12 knowledgeable staff, and we always want to continue
13 to build on it.

14 I want to highlight something that Sam
15 talked about, the support from the program offices
16 and the Office of Human Resources.

17 We use all of the tools available to us in
18 the leadership academy, we have development plans.

19 As you know the agency has a formal mentoring
20 program where individuals are trained to be
21 official mentors.

22 We have a knowledge center that we take

1 advantage of, and we use extensive rotations to make
2 those individuals knowledgeable of all of the areas
3 that the agency works on because the more rounded
4 they are, the more knowledgeable they are, the
5 better off we are.

6 We think we have been successful using
7 those activities, we fully take advantage of them,
8 and we are planning to do that in the future.

9 That completes my particular presentation.

10 I look forward to your questions at the end
11 of the presentation.

12 I will turn it over to Mark Satorius, the
13 Regional Administrator for Region III, who's going
14 to be talking about master materials licensees.

15 MR. SATORIUS: Thanks Luis, and good morning
16 Chairman and Commissioners.

17 I've got a lot of material that I prepared to
18 share with you all and I will try to get through it in an
19 expeditious manner, but I think my talking points are fairly
20 explicit so they should be helpful if I happen to miss
21 something.

22 Before I get started, real quick, I wanted

1 to acknowledge Patricia Pelke who's the
2 Branch Chief in my Region, who's responsible for
3 the Masters Material License for the Department of
4 Veterans Affairs and the Regional coordination of
5 that.

6 Patty is sitting right here.

7 Can I have slide 12?

8 A Master Material License is a multi-site
9 material license that's issued to a Federal
10 organization authorizing possession and use of a
11 byproduct source or special nuclear material.

12 These licenses authorize the licensees to
13 issue permits, conduct inspections, respond to
14 events, take enforcement, react to allegations, to
15 facilities that were previously licensed by the
16 NRC.

17 MML consists of license and a letter of
18 understanding.

19 Project management by the Office of Federal
20 and State Materials and Environmental Management
21 programs provides a headquarters oversight of these
22 licensees and there are Regional coordinators in

1 Region I, Region III, and Region IV.

2 An MML has a different structure than an
3 Agreement State.

4 Agreement States are not NRC licensees,
5 Masters Material License are NRC licensees.

6 Slide 13.

7 Air Force Mass Materials License was issued
8 in 1985 by headquarters. This MML along with the
9 other two were issued with no expiration dates.

10 Licensee renewal was not required.

11 I will tell you that the staff is possibly
12 seeing that that may be an issue from a policy
13 perspective, we would want to investigate and take
14 a little bit more intrusive look.

15 We did ask the Air Force to provide a license
16 amendment request where they would do a refresh
17 initiative, which was they would take -- they would
18 provide their program, we would take a refreshed
19 look at it to make sure that those areas that are
20 important for us and they have changed over the
21 last 25 years are being dealt with by this Masters
22 Material License.

1 We intend to learn a lot from that refresh
2 activities.

3 That is currently under review in a working
4 group, and we expect it to be issued here sometime
5 in the next month or so.

6 There were no Commission papers or
7 readiness reviews prior to license issuance both
8 for the Air Force and the Navy.

9 This MML authorized for the Air Force,
10 mostly chemical agent monitors and detectors.

11 These are sealed sources that basically
12 test the air to make sure it is safe from a
13 chemical perspective, they check the ionization of
14 the air.

15 Relatively safe instruments that make up
16 300 of the 400 permittees within the Air Force.

17 They require minimal type of inspections
18 and primarily are for inventory control.

19 The Air Force also has four irradiators that
20 are operating under NRC imposed increased controls
21 for security.

22 The Air Force is a military organization,

1 they have a highly centralized sense of control,
2 they are a compliance-based organization, such as
3 the Navy.

4 They have been in the nuclear oversight
5 business for a number of years, as had the Navy
6 when they were issued this, and there was a level
7 of confidence that that oversight would play forth
8 as we moved into their activities as a Masters
9 Material License.

10 They're overseen by the Radioisotope
11 Committee which has a responsibility for providing
12 oversight to the Masters Material License, and the
13 associate permittee activities, and the chair is by
14 an O6 or a Colonel.

15 They've had three escalated enforcement
16 actions since they were issued this license.

17 One was a civil penalty to Wright-Patterson
18 Air Force Base and the other two were severity
19 Level III violations.

20 The severity Level II violation to
21 Wright-Patterson Air Force Base was a \$102,000
22 civil penalty for Americium 141 spill at

1 Wright-Patterson Air Force Base that involved a
2 personnel uptake.

3 CHAIRMAN JACZKO: When was that?

4 MR. SATORIUS: '85, just a few years after the
5 issuance.

6 The Air Force uses the Air Force Inspection
7 Agency which works under their Inspector General
8 for their inspection activities.

9 I'd mentioned that a Letter of
10 Understanding – it's refreshing is currently in concurrence
11 and they've been a Masters Material License for 25
12 years.

13 The Navy was issued their license in 1987
14 under similar circumstances as the Air Force, 100
15 permittees and 22 irradiators also under increased
16 controls.

17 Once again, an organization with centralized
18 control because of their military distinctions.

19 The Naval Radiation Safety Committee has a
20 responsibility for providing the Navy's MML and
21 associated permittee activities, and their Chairman
22 is a Rear Admiral.

1 The Navy has had three escalated
2 enforcement actions within the last ten years, all
3 identified by NRC inspectors.

4 They've had one major event response which
5 was at the Hunters Point Naval Shipyard in the San
6 Francisco Bay area.

7 That is currently an EPA Superfund site and
8 they have the oversight on that activity.

9 Been in place for 23 years.

10 The Veterans Affairs.

11 In 1996, the Veteran Affairs applied to the
12 NRC for an MML.

13 We took that under review and provided them
14 feedback that they did not have a centrally
15 controlled program, which we believe is a critical
16 asset to be able to be successful.

17 They resubmitted their application in 1998
18 and established a program for centralized control
19 as if the Department of Veterans Affairs actually
20 had an MML.

21 In 2000, they informed us that they
22 believed they had gained the necessary centralized

1 control and was ready for a Masters Materials
2 License.

3 In 2001, we initiated a readiness review,
4 that is the only readiness review that we have
5 performed on an MML before issuing the license.

6 That paralleled the IMPEP process to determine if
7 the VA was ready to assume responsibility for an
8 MML.

9 In 2002, we consulted the Commission, the
10 first time we've consulted the Commission on one of
11 these matters.

12 That recommended that we issue the Veterans
13 Affairs a Masters Material License with full
14 authority with increased NRC oversight for a
15 two-year period.

16 Instead of a biannual review, they would
17 get a semiannual review.

18 So, every six months we did a review of
19 their program, which included inspection,
20 licensing, allegations, enforcement, and we would
21 do that at a six-month interval.

22 We issued the license in 2003 by Region

1 III, and it was contingent upon a two-year period
2 of increased oversight.

3 After a year of that increased oversight,
4 we again consulted with the Commission and
5 recommended that we continue oversight for a second
6 year, but at a reduced level; that would be at the
7 annual level of oversight rather than the
8 semi-annual, which is the norm for Masters
9 Materials Licenses.

10 This license authorizes limited medical
11 broad scope, and research and development programs.

12 There are 115 permittees that consist
13 primarily of hospitals and medical centers, have 12
14 irradiators also under increased controls.

15 It's a civilian organization based on
16 healthcare for veterans.

17 The National Radiation Safety
18 Committee has a responsibility for providing
19 oversight, which they have delegated the National
20 Health physics program the responsibility for
21 implementing the MML program.

22 They report to the National Radiation

1 Safety Committee, and they're composed of a
2 director and five program managers that do all of
3 the permitting, inspections, and event response.

4 We've received 15 allegations that have
5 been processed by the NRC, and a number of these
6 were also processed through the NHPP.

7 18 escalated enforcement actions, one
8 severity Level II and one severity Level III with
9 civil penalties, and their major event response has
10 been associated with the VA Philadelphia medical
11 events in the past two years.

12 The license has been in place for seven
13 years.

14 Can I have the next slide, please?

15 In the area of Masters Material License
16 challenges, from a Navy's perspective, they are
17 particularly challenged with decommissioning
18 activities.

19 Over the years, the NRC has been working
20 with the Navy to identify various types
21 decommissioning sites, and what agency has
22 jurisdiction for those decommissioning activities.

1 For example, I mentioned the Hunters Point
2 Naval Shipyard as a highly contaminated formally
3 licensed site, which was given Commission approval
4 in 2008 to allow the NRC to rely on oversight and
5 jurisdiction by the EPA to ensure
6 adequate protection of the public
7 health for the decommissioning activities.

8 Additionally, the Navy has about 100 other
9 decommissioning sites, where currently radium 226
10 is the only known contaminant and decommissioning
11 has been under the jurisdiction of the military.

12 There is potential that during these
13 decommissioning activities, NRC regulated nuclides
14 could be found during the remediation process and
15 in the event that does occur, the staff understands
16 we would have to move quickly to insert ourselves
17 to ensure that decommissioning process met our
18 requirements.

19 Other challenge is specialized programs.

20 Where the NRC has specialized programs in
21 the area of enforcement, allegations, and
22 investigations, the MML's

1 typically do not. They have
2 multi-hated inspectors that do various functions,
3 and they do them adequately but they don't have the
4 specialization that we have with our Office
5 Enforcement, Office of Investigation, and the
6 Regions' Enforcement Offices as well.

7 Training.

8 While all MML's are required by the Letters
9 of Understanding and their license to undertake
10 training and do so and take our training for their
11 inspectors, they typically do not have the
12 resources to be able to go into specialized
13 training.

14 Things that we train our inspectors in such as
15 inspection report construction, and writing.

16 Working throughout -- they don't get many
17 allegations but they are not as skilled because we
18 take hundreds of allegations.

19 Allegations are really the Regions'
20 bread-and-butter, we do a lot of those.

21 I think we do them very well.

22 They are able to do them adequately but

1 they do not have the finesse, they do not have the
2 insights that our program would have.

3 Another challenge is, like any Federal
4 agency, you scratch for FTE, and oftentimes they've had
5 to make accommodations for when they are not able
6 to be fully funded.

7 We believe that they have the resources to
8 be able to perform adequately, but they are
9 challenged occasionally from a funding perspective.

10 I would say institutional knowledge,
11 especially with the military organizations, because
12 they tend to move people around and oftentimes you
13 are in a place long enough just to learn the job
14 and you are packing up and moving off.

15 Those are challenges.

16 I wanted to give just a real quick synopsis
17 of probably the more significant events that have
18 challenged the Masters Materials License.

19 I already mentioned Hunter Point
20 contaminated site in the area of decommissioning.

21 Also in February of 1999, two Navy aircraft had
22 fired over 250 rounds of depleted uranium during a

1 training exercise at a firing range in Puerto Rico.

2 Over the next two years, the Navy and the
3 NRC were involved in site clean-up.

4 That site clean-up is still ongoing. It is
5 literally like walking in a minefield so it's a
6 fairly dangerous operation.

7 Those activities continue today.

8 I mentioned the Wright-Patterson Air Force
9 Base event that was probably the most challenging
10 for the Air Force and for the Department of
11 Veterans Affairs.

12 We believe that the 97 reported medical
13 events that took place about two years ago that we've
14 been dealing with since then, it's probably the
15 most significant event for the Veterans Affairs.

16 Near oversight for the MMLs.

17 I mentioned biannual inspections, these are
18 inspections that are conducted every two years.

19 They look at all aspects of the program;
20 they look at inspections, they look at allegations,
21 they look at enforcement, and event response.

22 We also conduct independent inspections and

1 accompaniments where we in an unannounced manner
2 will show up and perform an inspection outside
3 of the NHPP inspection, or whatever
4 the oversight organization is, and then we will
5 also do accompaniments so we can judge the skills
6 of their inspection staff and their abilities to
7 deal with their findings.

8 Enforcement oversight.

9 Master Materials Licenses are required by
10 the license to report all willful violations and
11 all severity Level I, II, and III violations to the
12 NRC.

13 Those are then run through our own process
14 where we essentially backstop the decision-making
15 made by the Masters Materials License, and if we
16 agree that they took the appropriate action, we
17 agree that they extracted the right corrective
18 actions, then we will exercise discretion and not
19 issue another citation.

20 However, if there are aspects they
21 missed we will go ahead and issue citations, and in
22 two cases -- actually three cases, we have issued

1 civil penalties.

2 That is the Air Force case in the late 80's,
3 a VA case from 2009, and now the VA Philadelphia
4 case, most recently about, a month ago.

5 As a result of activities associated with
6 the VA case, the staff in January initiated the
7 lessons learned task force.

8 It's a self assessment of the Masters
9 Materials License process focused on the VA, but
10 also expanding outward to look at the MML process
11 in general to see what lessons we can learn from
12 those events.

13 We also observe and participate in
14 quarterly Radiation Safety Committee meetings to
15 maintain communications with the organizations
16 responsible for oversight.

17 We have consistent communications with
18 Masters Materials License staff on routine issues
19 of enforcement allegations and events.

20 Slide 16.

21 Lastly, I would just like to go over a
22 couple of program effectiveness, and we believe the

1 NRC's oversight of MML licensing inspection and
2 allegation and event response demonstrates that the
3 MML program maintains adequate safety and protection
4 of the people and the environment.

5 They provide a point -- a central point of
6 contact for all MML permits, in other words, if we
7 need to issue a demand for information for
8 specifics we go to one licensee and they reach out
9 to their permittees.

10 If we need information, they do the same.

11 If we need to articulate requirements such
12 as increased controls for irradiators, we go to the
13 licensees and expect them to get to their
14 permittees, and then they do inspections and we do
15 inspections.

16 Lastly, as a result of the Masters Material
17 License, NRC can direct resources to other safety
18 significant issues.

19 That's the conclusion of my comments and
20 after Elmo's done, I will be glad to take any of
21 your questions.

22 MR. ELMO COLLINS: Thank you, Mark.

1 Good morning Chairman and Commissioners.

2 My topic is the reactor oversight program
3 reliability.

4 It's really a privilege for me to
5 come to the table and discuss this topic with you,
6 because it connects Commission policy to what is
7 really most important for us and our business and
8 that is safety of operating commercial nuclear
9 power plants.

10 The reactor oversight program is the
11 program -- it's headed by the Office of Nuclear
12 Reactor Regulation, implemented by the Regions in
13 close conjunction with NRR, but this is the program
14 we use to take the agency, the Regions, and our
15 inspectors from the Strategic Plan goals, and
16 outcomes to actually achieving that "boots on the
17 ground" and where the "rubber meets the road" and it also
18 becomes the face of the agency most of the time.

19 This is a privilege for me to come here
20 today.

21 I just want to -- my presentation -- three
22 segments I'd just like to highlight to you.

1 A quick touch on the program, features for
2 assessment, and then a quick touch on some things
3 we have done recently and why we did them, and then
4 some activities that are going on today that we are
5 paying particular attention to -- to make sure we are
6 implementing the Reactor Oversight Program in a
7 reliable manner.

8 We choose the word reliability instead of
9 consistency.

10 If we achieve reliability we will be
11 consistent, we also could be consistently wrong, so
12 we want to be reliable in our outcomes and make
13 sure we are achieving the right products and the
14 right outcomes from our reactor oversight process.

15 When this program was constructed and
16 implemented, about 10 years ago now by Commission
17 policy and Commission direction, there were a
18 number of features that were deemed important to
19 make sure that it manifested itself into
20 this program.

21 The objective -- the program objectives,
22 such as objective assessments of licensee safety

1 performance predictable decisions by the NRC.

2 We use the word transparency a lot.

3 This is where our activities and our

4 decisions are visible and understandable by a wide

5 range of stakeholders, both internal and external.

6 These features were built in to the

7 original construct of the program and continue

8 today, so it was necessarily – it

9 provided for annual assessments and of

10 course, that will be the subject of another

11 upcoming Commission meeting, and it was known that

12 it was going to be a dynamic changing program as it

13 was implemented over the years.

14 So, it carried those features with it.

15 Along the way, especially early in the

16 years of operation, a number of external entities

17 came in and took a look at our program.

18 The Government Accounting Office, the

19 Office of Management and Budget, I believe that was

20 a PART review which was performed on this program.

21 Our Inspector Generals have looked at it, and also

22 the Auxiliary Committee for Reactor Safety.

1 More recently, after the Davis-Bessie event
2 we had a specific significant effort to take a look
3 at how those activities manifested themselves
4 within the oversight program and what changes we
5 needed to make then.

6 A number of significant changes were made
7 on those and that leads me up to slide 18.

8 This was one of the more significant
9 changes to the reactor oversight program and it
10 really stemmed from Davis-Bessie.

11 It became apparent to a number of
12 stakeholders, and the NRC, and the Commission that
13 we needed a feature in the reactor oversight
14 program that accommodated an assessment of the
15 safety culture of a facility.

16 This was a change made in 2006, at
17 Commission direction, to implement that change to
18 give us a feature and methodologies to touch on
19 that.

20 It's a graded process, there is some
21 routine activities and if a licensee moves up to
22 the higher engagements in the different inspection

1 procedures, that goes all the way up to an
2 independent safety assessment which is conducted by
3 that licensee and reviewed by the NRC.

4 On a routine basis, it identifies a list of
5 safety culture aspects, and when an inspector has a
6 finding, a brief description, they are -- it's the
7 cause, we are looking for the most relevant cause
8 from that list of safety culture aspects and we tag
9 it to that finding.

10 We do that to collect them and so when we
11 get to our assessment process we look for patterns
12 then in those causes which are asking -- we are
13 asking ourselves the question, are we seeing a
14 pattern in the causes of these findings that we
15 need to communicate back to the licensee, which
16 might be telling them something about their
17 organizational performance, safety culture of the
18 facility.

19 That was deemed necessary after Davis-
20 Bessie.

21 So, when that change was made, obviously
22 this is not a technical decision.

1 The guidance was formulated and guidance
2 was implemented.

3 We knew it would be important to pay
4 attention to that.

5 Assess it and understand how we were
6 implementing that across the Regions.

7 Slide 18 talks about a couple of very
8 discreet, and fairly significant efforts we
9 implemented in those years, 2007, 2008 and we made a
10 number of guidance changes.

11 These were cooperative efforts across the
12 Regions and the program office.

13 We worked collaboratively and we learned a
14 lot going through these, and how you actually do
15 this, how you make it happen, how we get what we
16 believe are our best shot at reliable outcomes, and
17 reliable outputs from this new feature which was
18 put into the reactor oversight process.

19 I think what we learned -- these were
20 really focused on that decision, those activities,
21 that piece tagging of the safety culture aspect,
22 and then that decision which ultimately gets talked

1 about in the semiannual performance assessment
2 meetings, a decision to have what we call a
3 substantive crosscutting issue, where we made that
4 determination, there is a pattern here and we need
5 to tell the licensee about it and get them to
6 evaluate it.

7 These efforts focused on that piece of the
8 process and so what we have learned -- what we knew
9 really became evident that we wanted to proceed
10 further from that was there is more to it than just
11 carving out that piece, and it really then becomes
12 the whole process of implementing inspections, what
13 inspector's see, what they look at, what becomes a
14 finding, and when is it tagged, and then the safety
15 assessment.

16 That is why we wanted to expand this effort
17 and slide 19 talks about the activities which are
18 going on today.

19 These activities were formulated at the
20 initiative of the Regional offices in cooperation
21 and collaboration with each other.

22 We're not operating outside the program.

1 Anything we find gets put into the program through
2 the feedback process, and likely will be touched on
3 in our annual assessment processes.

4 This is with the program office and with
5 the Regional offices.

6 These are the four distinct activities to
7 try to get us better insights into how our
8 activities are being done in the different offices.

9 The first one I just want to touch on
10 briefly is periodic Regional discussions, quarterly
11 ETCs, we are picking -- call them, we are
12 inspecting ourselves if you will, specific topics
13 to collaborate across the Regions on to understand
14 with this guidance, how is it being implemented,
15 what decisions are being made.

16 If you let me define reliability as given a
17 similar set of circumstances, we want similar
18 inspection program outputs -- assessment outputs.

19 Some things aren't always going to be the
20 same, plants have different designs, their PRAs
21 have different risks, so a different finding might
22 have a different significance and there is a

1 different context, I would offer, with every
2 finding and that's the context of that facility and
3 that culture that the finding comes in that really
4 our inspectors, especially are resident inspectors,
5 come to have a very close -- a very good feel probably
6 the best feel for anyone in the agency about what
7 is really happening at the site.

8 We rely on those inspectors, but we want to
9 implement the guidance that we have and do it in a
10 reliable and, of course, consistent manner.

11 The Region I has the lead for that
12 initiative.

13 The second initiative and we have done this
14 before but we are doing it again, that is to take
15 the reports and look at them.

16 We have a team that is assembled, Region
17 III has the lead for this initiative, and to take a
18 look at the inspection reports and that has
19 happened for a quarter now and that first report
20 just came out from this effort that we are
21 considering the results from that inspection
22 report.

1 Part of it is, how do you document, what do
2 you document, how well do we follow the guidance in
3 documenting, and is it clear, and how well does it
4 look like we are implementing the guidance.

5 It is a look back necessarily when you
6 look at inspection reports, but still provides us
7 with a lot of value.

8 The second item is benchmarking -- the
9 third item is benchmarking trips.

10 We've done these before, but this is really
11 a focused effort, and a more systematic effort, and
12 an increased effort on our part to go with our
13 supervisors to the other Regions and organize that,
14 and watch -- watch the Region do its assessment
15 meeting.

16 Watch the Region process inspection
17 findings.

18 It's very informative to go cradle to grave
19 on this information just as an observer.

20 Region II has the lead on that effort.

21 And the last effort is sharing inspectors,
22 sharing resources, but we have a plan put together.

1 We have done it before, too, this really
2 isn't anything new, but it is more systematic with
3 a view when we put inspectors from Region IV on a
4 Region II inspection team or vice versa, that
5 inspector is assigned the responsibility to say,
6 when you are done, tell us about what you saw.

7 Did it feel different, did it look
8 different, and did decisions get made the same way,
9 is the same information being transferred.

10 That is a planned effort that we are going
11 to implement and Region IV has the lead for that
12 initiative.

13 Slide 20.

14 I will just conclude this part one to
15 convey -- first of all, most importantly I think,
16 it is the Regions -- all four Regions and the
17 program offices commitment to implement this
18 program effectively and reliably, because that is
19 what is needed for us to execute and successfully
20 perform our safety function as an independent
21 regulatory body.

22 Reactor oversight process has been looked

1 at hard already for a number of years.

2 It is solid.

3 This is a pretty solid process, but it is
4 dynamic, changing and we are learning, and as we
5 learn – the program is good then you
6 have to implement the program.

7 Some of these reliable outcomes depend on
8 how they are implemented.

9 We are resolved to continue to assess
10 ourselves, assess how we are implementing this
11 program with an effort toward continuous
12 improvement.

13 We actively seek feedback on how we are
14 doing.

15 We have already talked about an annual
16 assessment, I didn't actually mention this but
17 every other year we do surveys -- internal surveys,
18 that is important. We do external surveys -- we
19 survey external stakeholders as well and receive
20 input from them.

21 We want that input, what they are seeing,
22 and how we are doing.

1 We are actively collaborating across the
2 Regional offices to make sure we are doing this
3 program reliably and doing it well.

4 That concludes the staff's presentation.

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1 MR. BORCHARDT: Before we wrap up, I'd just go to
2 slide 21, I'd like to acknowledge the efforts of both Marty
3 Virgilio and Bruce Mallett for their roles and oversight of
4 the Regional activities.

5 Especially Bruce, who the Regional
6 Administrators report to directly, and I think you
7 see from today's selected topics that Regional
8 activities are a constantly improving dynamic
9 situation.

10 We are adapting to today's environment in
11 the best way that we can, and that our focus
12 remains always primarily on safety and security.

13 Thank you.

14 CHAIRMAN JACZKO: Well, thank you for that, Bill
15 and to the rest of the Regional Administrators for your
16 presentations.

17 We will start our Commission discussions
18 with Commissioner Magwood.

19 COMMISSIONER MAGWOOD: Thank you, Chairman.

20 We have heard a lot about your faces and
21 your boots today.

22 I'm more concerned with your stomachs and I

1 only mean that somewhat facetiously, because I'm
2 thinking about the facilities themselves.

3 I had a good conversation with Elmo this
4 morning about the new facility that Region IV is
5 building, and it occurs to me that most likely like
6 a lot of federal infrastructure, I suspect many of
7 you are working in facilities that are probably a
8 bit dated.

9 It may not be true, but you can educate me.

10 What is the situation?

11 There has been so much change in terms of
12 the staff sizes over the years, needs for IT,
13 infrastructure, other types of requirements, where
14 are you each on that, I know where Elmo is I
15 had that conversation, but where are the rest of
16 you on this and what issues are you facing right
17 now?

18 MR. BORCHARDT: Actually, the Commission has been
19 quite supportive of making sure that we maintain a very good
20 work environment for the Regions and headquarters, too.

21 In the last several years Region III
22 relocated, there is some little bit of activity

1 regarding slight add-ons to some new space in
2 the Region III facility, but they are in a very
3 modern -- in fact if you go to Region III you will
4 be jealous of the quality of their workspace.

5 I get annoyed every time I go there.

6 MR. SATORIUS: I would like to point out,
7 Commissioner, that when folks from headquarters to woo good
8 people I say, welcome to Region III where every office has a
9 door.

10 MR. BORCHARDT: Return IV, you've been updated.

11 Tomorrow afternoon Region II will
12 be completing one aspect
13 of its move to a new facility
14 which will help to accommodate the
15 increase in staffing size in Region II due to the
16 new construction activities.

17 Region I is the one that is under active
18 review right now, trying to evaluate what our
19 options are.

20 One of the potentials is to move to a new
21 location to be determined.

22 Region I is in the space, my personal

1 opinion, that is the one in most need of being

2 addressed and we are in that process.

3 COMMISSIONER MAGWOOD: Excellent, thank you very
4 much.

5 The second question I have relates to your
6 interactions with the states.

7 There has been some very well-publicized
8 efforts by some states to play a bigger role in the
9 nuclear power plant arena.

10 I am curious as to whether you are seeing
11 this as a general trend where the states are
12 pushing up against those boundaries a bit more over
13 time, or whether these are more or less isolated.

14 MR. BORCHARDT: I will ask Sam to address this
15 because he's got the most personal experience, but from my
16 perspective I see it very state specific; it's a geography
17 issue.

18 Region I certainly has the highest
19 concentration, not the only Region that has a
20 high-level of involvement; I think California is
21 actively engaged as well, there are some other
22 states, but Sam?

1 MR. SAM COLLINS: Thank you, Bill.

2 Thank you for the question.

3 In the materials area, of course, we have
4 the policy and program for the Agreement States.

5 So, in the materials area the majority of
6 our states now are Agreement States, and we've had
7 a number of those who have had recent transitions
8 in Region I.

9 In the reactor arena, which is the focus of
10 your question, Commissioner, we do have to be
11 careful of what we would call dual regulation or
12 preemption.

13 We do have the resources, we have the
14 guidance, Steve's team and OGC -- Steve Crockett
15 particularly, is our point of contact.

16 I would say, as Bill indicated, some states
17 are more assertive in this area than others.

18 There is a dynamic, and appropriately so,
19 where we have reach Memorandums of Understanding or
20 agreements with states for them to play a role with
21 nuclear facilities.

22 There is a standard format for that, there

1 is a template for that, but there are some unique
2 agreements out there also.

3 What that would mean is that states do have
4 on-site inspectors who have access to the plant.

5 They do have a role and it is typically in
6 an environmental or an off-site radiological role,
7 but they also have the ability to team with our
8 inspectors in a shadowing sense and observe our
9 inspections, have access to the information, and in
10 some cases bring to our attention if they believe
11 we are not following the right protocol or that we
12 have an issue that they would like to discuss.

13 That works fairly well.

14 There is a state inspector in Vermont, for
15 example, each of the New Jersey state's inspectors
16 are on-site at those facilities.

17 Where we get into the boundaries is where
18 there is, what I would say, an issue that is
19 brought to the attention that could be emotional,
20 tritium would be one of those, another might be the
21 environmental aspect of fish kills, cooling towers,
22 those types of areas.

1 There are gray areas there, but I think the
2 laws are pretty well-defined.

3 Steve can help me with that, I don't want
4 to practice without a license, but usually what
5 happens is we meet on those and using Steve's
6 resources we circle back through in a counsel to
7 counsel discussion and ensure that we are in
8 agreement in those areas.

9 It can be a challenge, I believe we have
10 the mechanisms to deal with that, but I believe it
11 will be there.

12 Luis might have a challenge with new
13 reactors that would be unique, and I think that
14 ground is still to be turned over but I would let
15 Luis address that.

16 I hope I have been responsive to your
17 question.

18 MR. REYES: I just want to add a new interest we
19 have not seen before, some of the states have changed their
20 regulations in terms of the Public Service Commission side
21 of the house, in terms of the new reactors and new project,
22 being able to recover their monies on a yearly basis.

1 Part of those changes, in one case
2 specifically, a state person is physically now at
3 the Vogtle site from the Public Service Commission.

4 They are interested in schedules and things
5 of that matter.

6 They have approached us in trying to
7 participate in some of our deliberations, design
8 certification meetings, things like that.

9 The State of South Carolina has done the
10 same thing.

11 We have worked our way through those
12 issues,. Those preliminary safety discussions are
13 our purview, they are not public meetings
14 between -- relationship or discussion between the
15 applicant and us.

16 I envisioned on the other new products we
17 will have some sort of additional interest, but
18 this is something new because there is a new law
19 that the states are implementing in terms of the
20 cost recovery of the projects.

21 MR. BURNS: I might just add just a little more
22 perspective, I agree with my two colleagues what they just

1 said.

2 In the preemption area, obviously, the NRC under
3 the Atomic Energy Act has plenary authority on matters
4 directly affecting public health and safety, and common
5 defense and security.

6 What you have, as Sam says, in some of
7 these and it goes back to a Supreme Court case,
8 Pacific Gas and Electric case some 20 years ago
9 that the states have, in terms of both reliability
10 and economic regulation, have a legitimate interest
11 and sometimes it's sort of weaving between that
12 aspect of legitimate state authority and the NRC's
13 authority.

14 In many instances, for example -- Vermont
15 is a good example, where we have had good
16 communication with the state and the state PUC and
17 other state officials with respect to where we
18 would have concerns about some of the lines.

19 The last thing I will mention just to wrap
20 it up is that in some instances with respect to
21 exercise, the state exercising authority, what they
22 in effect are doing is actually exercising Federal

1 authority, particularly in environmental clean
2 air and clean water matters.

3 It is not unlike our Agreement State
4 program, but the construct particularly in the
5 environmental area through delegated programs through the
6 EPA may be different.

7 So, what sometimes we are seeing is
8 exercise of state, exercising authority as a state
9 within the union and other cases they are actually
10 exercising a Federal authority as a delegee of the
11 Federal government.

12 As we said, we have good communication with
13 the Regions on these matters, the Regional Counsels
14 who report to the Regional Administrators,
15 are in contact with us frequently.

16 For the most part we are able to work
17 through them.

18 COMMISSIONER MAGWOOD: Thank you very much.

19 That is very, very helpful.

20 I think this is an area we will have to
21 monitor as time goes on because I think this is a
22 very, very complicated issue.

1 In part, because I think, the state
2 authorities have become more and more sophisticated
3 over time and know how to apply the laws that are
4 at their disposal more and more creatively.

5 I think they're going to find challenges
6 increasing as we go forward.

7 I do have a lot of respect for the rights
8 of the states and their responsibility to their
9 citizens, but I think the thing I'm most concerned
10 about is the issue of dual regulation and we have
11 to avoid these overlaps where possible.

12 It is up to you four to make sure we stay
13 out of that tangle.

14 Thank you very much,
15 Mr. Chairman.

16 COMMISSIONER OSTENDORFF: I really learned a lot
17 from your briefs, thank you very much.

18 I have questions for each of you and I will look
19 at the time and see how we can get through some of things
20 quickly.

21 Mark, I will start out with you if I can,
22 please.

1 I have no prior background in Master
2 Materials Licenses so that was a new area for me,
3 but I was struck by the comment I believe you made
4 that there has not been a systematic periodic
5 review of these licenses in the past.

6 Five to ten years from now, from where you
7 sit and your colleagues sit, what do you think
8 would be the best structural organization for some
9 periodic review?

10 MR. SATORIUS: I think I mentioned during my
11 presentations that we are doing the refresh of the Air Force
12 right now, and it is my understanding we are gathering a lot
13 of insights and first of all those questions have been asked
14 by the headquarters program managers for the three MML's and
15 the three Regional coordinators back and forth for a period
16 of time in just a speculative type manner.

17 Based on -- it's been 25 years for Air
18 Force, it's been about 25 years for the Navy; do we
19 need to have more of a structure that -- not
20 necessarily an expiration date, I'm not sure
21 exactly what you would call it, but the question
22 has been out there and yes, I think the staff

1 should look to see what sort of -- and I don't know
2 what you want to call it, but what sort of activity
3 we should undertake at some level of periodicity
4 that is right that would take a look more so than
5 just a biennial would look at the programs and the
6 way the MMLs are operating to make sure they lineup
7 with our current agency focuses, which changed over
8 the course of 25 years.

9 I hope I answered your question, I know it
10 is on the staff's plate, there's two issues.

11 There is the refresh it is looking at the
12 Air Force and that is probably tied closer --
13 because that is the first look at them-- that is probably
14 tied closer to your question, but I think the task
15 force that is looking at insights from the VA issues at
16 Philadelphia also will probably add some insights
17 as well.

18 It would push the staff towards coming to a
19 consideration on what is the right amount of time.

20 COMMISSIONER OSTENDORFF: Thank you.

21 Luis, I want to ask you a question on the
22 human capital mobility aspects, and that is a tough

1 issue.

2 Much to the chagrin of my wife we have
3 moved 11 times in my time with the Navy.

4 As dual career professionals became more
5 the rule rather than the exception.

6 The real estate market variability and
7 keeping kids in some continuity of schools has
8 gotten much tougher.

9 When I was at DOE from 2007 to 2009 we
10 really wrestled with mobility for our SESs, I can't
11 say we ever came to any appropriate conclusion as
12 to what is the best mix of incentives, package
13 performance evaluation, metrics to recognize the
14 sacrifices that often times accompany a geographic
15 move with the recognition some people can't move
16 for very legitimate reasons.

17 With respect to your experience and your
18 colleagues with NRC, do you think the current
19 performance evaluation system provides an
20 appropriate incentive to encourage geographic
21 diversity and mobility?

22 MR. REYES: I think the potential career path is

1 probably the bigger driver for the geographical relocations.

2 The five individuals you see presenting to
3 you today, we are all products of the resident
4 inspector program and I don't know if you would
5 call that a success or a failure, but --

6 CHAIRMAN JACZKO: Give it a little bit of time.

7 MR. REYES: We think we have incentives both from
8 a career progression to entice people to do this kind of
9 assignments.

10 The challenges is -- and I think it is well
11 accepted by the staff, the challenge comes in the
12 practical execution of moving families and
13 disrupting lives.

14 The reason real estate market issues have
15 added some complexity to it, we have a robust
16 budget for this kind of activities, what the pilot
17 I referred to in the Office of the Chief Financial
18 Officer is really looking into that is -- is there
19 a better way to execute the resources, the budget
20 monies that we have allocated to this to benefit
21 our employees.

22 We have a contract with a relocation agency

1 no different than a lot of other government

2 agencies, etc., etc.

3 The pilot that DHS is pursuing is taking a

4 look at, is there a better way to do this so the

5 employees get the maximum benefit.

6 It is not necessarily money -- assignment

7 issue, it's how you execute it.

8 We do have some different issues around the

9 country -- large country a lot of local different

10 kind of issues.

11 For example, the dynamics for a plan that

12 is a very rural, small community, that presents a

13 different set of challenges that perhaps some that

14 are in very, very expensive communities, highly

15 populated, and I invite Sam to add to the

16 discussion.

17 You have to have a situation where it is

18 flexible enough to cover this broad set of

19 situations we have across the United States in

20 dealing with that.

21 It is just a challenge.

22 I don't know, Sam, if you want to add to

1 that.

2 MR. SAM COLLINS: Thank you, Luis.

3 Excellent question, thank you for that.

4 It is a sensitive issue with the managers
5 and with the staff, obviously, because it can be
6 looked at as a barrier in many ways.

7 I would say and I would want to offer that
8 we are able to get the right people to the right
9 place.

10 We have a wonderful staff.

11 We have options with that staff, and I do
12 not know of an instance where we have not been
13 successful in filling a position.

14 We do a lot of planning, we have a lot of
15 structure, we have the succession planning, we did
16 the executive resources board, we have the FEPCA
17 panel, which Bruce chairs, which looks at salary and benefits,
18 bonus aspect of rewarding and accounting for some of
19 the challenges that Luis mentioned.

20 I have moved five times to come into the
21 agency, and during the agency.

22 I am probably not the model, my wife would

1 tell you I'm probably not the model in a lot of
2 ways, but I think the days of having that much
3 flexibility may be a little different, and we want
4 to present a picture to our newer employees which
5 provides for some stability and some choices
6 without the forcing mechanism involved.

7 Their sensitivities and values are not
8 perhaps the same place ours were with the basis we
9 were raised, and that's understandable and a good
10 thing, we've learned from that.

11 I do think it is a little bit of a
12 challenge, we have to keep an eye on it, and may be
13 unique.

14 As Commissioner Magwood and I were
15 referring this morning to the times, but even in
16 these times I would want you to know that we are
17 successful in achieving that goal.

18 COMMISSIONER OSTENDORFF: Thank you, and I agree
19 that the times have changed.

20 What was commonplace and accepted in the
21 1970's, is not the case now.

22 That's an excellent point.

1 Elmo, got a question for you.

2 I was impressed on your slide 20, towards
3 the back of your slides, yes it was -- slide 19.

4 With the various efforts being conducted
5 among the Regional Administrators to assess this
6 reliability, a.k.a. somewhat consistent approach to
7 reactor oversight, and I applaud you for doing
8 that.

9 I think that is, quite frankly, a more
10 rigorous structural type of process than I have
11 seen in my experience in the Navy and Department of
12 Energy.

13 We wrestled with that at NNSA in evaluating
14 contractor performance all the time.

15 I'm very pleased to see in place a
16 mechanism to provide that cross-pollination, so to
17 speak.

18 You made a comment about sampling of
19 external stakeholders, and I just wanted to ask a
20 quick question; do you have anything significant
21 comments from external stakeholders, let's say
22 industry, that would indicate for a corporation

1 that has plants, encompass different Regions, is it
2 your sense that they think there is a reasonable
3 level of reliability -- consistency from one plant
4 to the other?

5 MR. ELMO COLLINS: I will start off and then I
6 will quickly turn to my colleagues who also receive input.

7 For starters, I think in all of the Regions
8 we talk to, we do site visits, we talk to the
9 executives, and then we meet collectively with the
10 executives and receive input.

11 My Region is mostly single site nuclear
12 utilities with one, which could be called a fleet
13 and that is the Entergy South fleet which is for -- it is
14 pretty distinctive and separate from the Entergy North
15 fleet.

16 The other three Regions do have fleets
17 across Regions, and they do have those discussions
18 with those executives.

19 I will pass that on to the others.

20 MR. REYES: Let me just start, and I will ask my
21 colleagues to chime in.

22 I think the majority -- for the majority of

1 cases, I think that the utilities will tell you we

2 treat matters the same way.

3 I think there's a perception that there are

4 some cases that we are not in full agreement and

5 engagement in how they get processed.

6 Because of that, not only are we doing the

7 self-assessment and cross boundary activities that

8 Elmo talked about, but we as executives meet with

9 those corporations together, and in fact, recently

10 we met with FBNL and they have facilities in Region

11 III, I, and II and the three of us met with the

12 Chief Nuclear Officer and all of their high-level

13 executives, senior managers; not only to discuss

14 performance and issues, but try to elicit feedback

15 in terms of the execution, because whether it is

16 true or not, the perception is important on how we

17 are doing business.

18 We continue to do that and I think it is a

19 very fruitful endeavor for both sides.

20 MR. BORCHARDT: I will just add that this happens

21 at all levels.

22 I have meetings with industry, collection

1 of all the executives nationwide where they have
2 the opportunity to raise that, Luis talked about
3 what the Regional Administrators do, the Reg Info
4 Conference has a session dedicated just to Regional
5 activities.

6 Eric Leeds has a licensing forum that he is
7 a major contributor to.

8 It happens at all various levels on all
9 aspects of our regulatory responsibility.

10 I think there are isolated cases where we
11 might not be completely uniform.

12 The one issue, in all honesty, that I think
13 the industry has the most concern about now is
14 crosscutting issues.

15 That is the one issue that does not quite
16 have as much rigor as the rest of our inspection
17 findings assessments, we are working on that.

18 I think they might have a legitimate point
19 that we need to at least consider.

20 COMMISSIONER OSTENDORFF: Thank you, Mr. Chairman.

21 COMMISSIONER SVINICKI: Am I line jumping here?

22 CHAIRMAN JACZKO: No, no, I'll go at the end.

1 COMMISSIONER SVINICKI: I'll awaken from my musing. It's the
2 biblical you get used to here, since I was first at the last
3 meeting; it's the first shall be last.

4 I guess I am not last today.

5 It is interesting, the Chairman was
6 mentioning that this is an unusual collection of
7 having the four Regional Administrators here, and
8 someone made a joke about your resumes and starting
9 out as residents, and although of course, the
10 individuals across the table from me look much,
11 much too youthful to have this be true, I know that
12 some of you -- I think Luis you might've been, if
13 my facts are right, the first senior resident at
14 Davis Bessie, is that true?

15 I was looking at the history -- because we
16 take in this country -- coming in when I did to the
17 NRC, it is so established to have the resident
18 inspectors at the nuclear power plants, but if you
19 travel to the other countries the regulators don't
20 approach it the same way.

21 I was learning that prior to the Three Mile
22 Island accident it was a modest pilot to have

1 resident inspectors at some of the plants, so that
2 was already being piloted.

3 Sam, I think you were one of the
4 involved -- or I don't think you were one of the
5 involved in the pilot, but you were involved in
6 early days of the resident inspector program.

7 Although we joked about it, I actually
8 think it is an amazing expression of senior
9 managers.

10 In other words, you need to look no further
11 than your resumes to know that all of you are very
12 personally committed.

13 I hear it in your answers to the questions
14 today about making sure that we want to continue to
15 attract good people and make the resident and
16 senior resident positions a very desirable
17 experience at NRC.

18 I appreciate, Sam, you responded to
19 Commissioner Ostendorff by saying, we are able
20 to -- we've got great people, and we are able to
21 get them to fill these positions as we have to, and
22 I will mention even though it is basic, we have

1 theoretically a mandatory rotation which makes this
2 so much more complicated than just SES movement
3 where that if people are not desired to have a new
4 opportunity they can maybe stay where they are, but
5 we are looking -- and the Commission over time has
6 struggled with what this, what's the right time
7 period to leave someone as a resident inspector.

8 I was the one who converted the paper about
9 the incentives and the flexibilities that senior
10 managers here have available to them.

11 The reason I did that I thought it was
12 important for the Commission itself to express,
13 which they did, support for these flexibilities and
14 in my case I really wanted to encourage you all to
15 look at -- because these are very situational as
16 you look at people.

17 I really credit folks for stepping up and
18 filling these jobs.

19 They should never have to do that to the
20 economic determinant of their families.

21 I don't think that that is right.

22 I appreciate that we have flexibilities.

1 I think one thing that you've been talking
2 about, Luis, is this -- I think it is the home
3 buyout program, is that what you are talking about
4 with the DHS pilot, and there might be ways there
5 that if we have flexibility so that our employees
6 maybe could receive the economic benefit instead of
7 going through a buyout.

8 I will be real curious, I hope you will
9 keep me informed about -- as we monitor that pilot,
10 because if it works out well for them, it is
11 something I have heard about.

12 I haven't been straight up asked by a
13 resident or senior resident, but they have asked me
14 is that something we are at least monitoring and
15 looking at.

16 I know there is a lot of interest out there
17 in the resident and senior resident ranks on that.

18 MR. BORCHARDT: I will just say we will certainly
19 do that.

20 The CFO and the Office of Human Resources
21 would have the lead for the agency on that activity and
22 once we come to some initial opinions we will

1 forward that information to the Commission.

2 COMMISSIONER SVINICKI: Another real general
3 question for all of you is that travel budgets aren't going
4 as far as they used to, and I remember when I first came
5 here Commissioner Lyons expressed some irritation at a
6 Commission meeting about what he called our special
7 government airfares.

8 Now that I've been here a while and I've
9 paid as much as \$1600 to fly to Minneapolis, which
10 it just astonishes me to this day that that is my
11 special government rate.

12 The money doesn't go as far as it used to
13 and now that we all might be paid to carry on a
14 briefcase or a purse, this is getting interesting,
15 but how are we doing in terms of your budgeting two
16 years out for travel; do you have what you need?

17 MR. SATORIUS: We do in Region III. One of the
18 things that we do when we find a city fare that is like
19 that, sometimes it is better -- like Elmo flies to Baltimore
20 because it is much cheaper, and Region IV people fly to
21 Baltimore.

22 We have similar city fares that you can fly

1 to another city like Cleveland and drive to Davis
2 Bessie, whereas if you fly to Toledo, it is three
3 times the fare.

4 You get a 40 minute car ride to get your
5 thoughts straight before you go on site.

6 We look at ways of cutting where we can as
7 long as it doesn't impact the mission.

8 COMMISSIONER SVINICKI: That is a good tip, thank
9 you for that.

10 I wish I had learned that a little earlier,
11 I would've made use of that.

12 Elmo, I thank you for your presentation on
13 the ROP, and actually the implementation of the ROP
14 is something I've had the chance to talk to all of
15 you about.

16 Obviously you are closest to the actual
17 execution of it and I appreciate your views and
18 obviously there is a very thoughtful and consistent
19 effort to make sure that we are aligned nationwide
20 in the way we are approaching this, and that we are
21 looking at it.

22 Was it you, Elmo, that mentioned over ten

1 years old now.

2 It has some maturity, but we need to keep
3 looking at it.

4 Substantive crosscutting issues, I know
5 what the word substantive means in an English
6 language sense, but what does it mean in the terms
7 of substantive crosscutting issue?

8 MR. ELMO COLLINS: It is a decision that is made.

9 A crosscutting issue -- even in the
10 original concept and construct of the reactor
11 oversight process, we knew there were things that
12 were important.

13 We identified the seven cornerstones of
14 safety that you are familiar with, we knew there
15 were things we would see, aspects about how that
16 organization was functioning that cut across the
17 cornerstones, how they dealt with problems, that is
18 in all cornerstones.

19 Their safety conscious work environment,
20 that is in all cornerstones, their human
21 performance, that is on all cornerstones, we knew
22 those were important.

1 Even from the outset, we had that feature
2 to tag an aspect.

3 We made it more significant and expanded
4 our guidance when we connected it to safety culture
5 and the safety culture aspects.

6 What we do, then, with each finding and
7 each crosscutting issue, is we look for a pattern
8 and our guidance talks as thorough.

9 We try to be, we try to be true to the ROP
10 tenants; predictable, scrutable, repeatable.

11 So we identified the numbers and the
12 guidance of what we look at we call that a theme, I
13 think the number is four, and then we ask ourselves how
14 well the licensee is doing with that issue and
15 whether or not we believe they are on it or not on
16 it, and ultimately, through a step process in the
17 assessment meeting concludes whether or not to call
18 it a substantive crosscutting issue.

19 It is a collection of crosscutting issues
20 that really is a pattern and it becomes the
21 substantive crosscutting issue and we write that to
22 them in a letter.

1 Fred, how did I do?

2 MR. BROWN: Fred Brown, Office of NRR, Division of
3 Inspection and Regional Support.

4 I would say Elmo really -- I believe hit
5 your question on the head.

6 We have a fairly limited set of the data at
7 a plant that we look at, which are self-revealing
8 performance deficiencies and inspector identified
9 performance deficiencies.

10 So, at a site it might be 10 to 25, maybe
11 50 issues in a year, if four of those have the same
12 aspect, that is why we go to a set substantive
13 crosscutting issue.

14 It's not just a single occurrence, it's a
15 substantive portion of the occurrence of a specific
16 set of performance deficiencies at a plant.

17 MR. SATORIUS: These are issues that are the
18 blocking and tackling of finding and fixing problems, that
19 if they don't get these right, they're eventually going to
20 have enough opportunities where they have failed in
21 human performance or corrective action -- that it is going
22 to multiply and these issues that aren't necessarily

1 significant safety issues could become a significant safety
2 issue as you compound them and can't do the basics.

3 COMMISSIONER SVINICKI: We used "boots on the
4 ground, but "blocking and tackling", this is where we -- you
5 know, I will have to study up on the significance of that;
6 is it just essential to your game strategy?

7 MR. SATORIUS: The basics.

8 These are the basics, the fundamentals. You
9 have to get the fundamentals right or you can't
10 move on into excellence.

11 COMMISSIONER SVINICKI: I didn't play football in
12 case you hadn't guessed that.

13 I have just maybe one more minute here, but I
14 thought this was interesting and maybe this -- since I was
15 reflecting on it, and I have so much expertise right across
16 the table here.

17 Again, you get back to things you step into
18 it, things are a certain way and so you don't think
19 much about why they are that way, but I got to
20 thinking about -- because I knew there were five
21 Regions at one point and that there was -- as I
22 looked at the SRM for closing that last Region that

1 was closed, it said a key basis for that was the
2 fact that there were so many agreement States that
3 were being created.

4 There was the thought that we could close our
5 Region -- and please don't -- if your all sucking
6 in your breath, I am not proposing that we
7 eliminate any of the Regions, but what I was
8 apprised of was that there is a Commission policy
9 statement developed in '83 and published in '84,
10 and it is the Commission's policy statement on
11 regionalization.

12 I don't know if all of you are really
13 acquainted with this policy statement on
14 regionalization, but it was an interesting historic
15 read, and the most interesting thing is that the
16 Commission's decision on regionalization it says it
17 was intended to do just a few brief purposes here
18 it says, improve its coordination of licensing
19 inspection and enforcement activities at each
20 facility.

21 I think we've covered that here today. A
22 second objective was basing NRC nearer to state and

1 local governments and the public by formalizing the
2 role of Regional offices to represent NRC and their
3 Regions.

4 Sam talked about that, but I would note
5 again when we talk about credibility with
6 stakeholders with our important state and municipal
7 partners to me, the Regions are the face of that,
8 as the Chairman said, and it is not something that
9 we earned that credibility badge in a day.

10 I think that it is the consistent
11 relationships that the Regions have with state and
12 local officials and those things that take many
13 years to earn and can be lost very, very quickly.

14 Again, I appreciate the work you do there
15 and I think we talked about that.

16 Another purpose was to strengthen incidents
17 response capability by delegating certain
18 responsibilities and authorities to the Region.

19 I think the Chairman mentioned and Bill
20 Borchardt talked about as well, that the Regions
21 are the first to respond, and then the last
22 objective was to upgrade the position of the NRC

1 Regional Director.

2 I'm assuming that means in today's
3 terminology, the Regional Administrator.

4 So, I hope you all feel upgraded because
5 that was another objective.

6 I close with that little bit of history
7 which I found interesting.

8 I don't know if any of you have any
9 rebuttal on how we are doing, it sounds to me like
10 what we talked about today is pretty consistent
11 with those objectives.

12 MR. SAM COLLINS: Commissioner, if I can just
13 offer a comment.

14 I was involved when I went to Region IV
15 with the closure of the Region V office and the --
16 what we called URO office, the uranium recovery
17 office.

18 That was done as an efficiency and
19 effectiveness measures because where the industry
20 was poised at that time.

21 It was a fairly significant new build on
22 the west coast at one-time, given the Washington

1 State, Oregon State, and other potential plants,
2 but it was thought, given the trends in the
3 industry, that it would be more efficient and
4 effective to combine that in Region IV and in fact,
5 as Mike Webber would acknowledge, that was one of
6 our first actual remote work or work at home
7 policies, because we allowed certain individuals to
8 remain in their locale as we relocated that office
9 and we transitioned to Region IV and to other
10 space.

11 Of course the dynamics today are very
12 different, so we have to be poised for the other
13 side of that equation, also as Luis would indicate
14 with his growing programs.

15 One thing that is not in the Code of
16 Federal Regulations is when we called it time, distance
17 and shielding.

18 It doesn't only apply to radiation, but the
19 Regions are not independent to the extent we are
20 not consistent and divorced, but we do have to be
21 able to focus on the plants day-to-day and focus on
22 safety.

1 The program offices do the heavy lifting in
2 the policy formulation area and the implementation
3 policy area.

4 We are the implementers and there is a
5 certain elegance, if you will, to the Regions being
6 focused outward on the plants and on the licensees
7 and on the licensing activities in the materials
8 area, and not "overly" distracted by the dynamics
9 of working policy, although we are involved in that
10 and the office has asked us for our contribution to
11 that.

12 We play a role as a contributor, but not as
13 a director.

14 Although that can be misconstrued, that
15 does have some benefit.

16 COMMISSIONER SVINICKI: Thank you, thank you all
17 again.

18 CHAIRMAN JACZKO: Well, Elmo, I don't want to pick
19 on you, but -- well, I guess whenever you hear a phrase like
20 that I'm going to pick on you.

21 We heard, I think, both Commissioner
22 Ostendorff and Commissioner Svinicki talk about his

1 issue of consistency, and you've talked about it
2 and touched on it, and they got into the
3 crosscutting issues.

4 I think, Bill, you referred to that as
5 well.

6 That is probably the one area where I
7 certainly hear the most about consistency, and I
8 think in the past, Region IV had been a bit of an
9 outlier when it came to the number of subsequent
10 crosscutting issues; is that still the case, or
11 what is the situation today?

12 MR. ELMO COLLINS: I think, excuse me for sounding
13 like I am dodging the question, it depends on how you count
14 them.

15 Really, the lions share comes from
16 one or two -- one facility and some people count
17 that; well, it's two units.

18 So, if you have an organizational, such as the
19 crosscutting issue, then that's two.

20 Then, the number of themes.

21 I think we still have a number of them.

22 I can't tell -- I have been unable to tell

1 just from the number; is that good or bad, and so,
2 I think to peel that onion back, I have to ask
3 myself to the degree that it reflects an accurate
4 assessment of the licensee safety performance and
5 issues at the site that if they are high, then that
6 is a good thing because it gives us an opportunity
7 to engage with the licensee on those issues and get
8 them corrected and improve it.

9 If it is a low number to the degree that it
10 reflects an accurate assessment of licensee safety
11 performance, then that is a good thing, that is a
12 successful outcome from our program.

13 I'm a little hard-pressed -- high or low,
14 we look at each one individually.

15 We give it a good scrub, and we think hard
16 before we make that decision.

17 MR. SATORIUS: And Elmo may not operate completely
18 in a vacuum, because we will share Branch Chiefs that will
19 go to his mid-cycle, ROP meetings and end of cycles, and we
20 share amongst the Regions.

21 We interact with each other as this
22 decision-making is taking place and Fred Brown can

1 tell you that he has his program folks on the phone

2 or in person listening in.

3 In fact, we had our end of cycle meetings this year

4 while headquarters was closed down because of the

5 snow, it didn't stop Fred's people, for the most

6 part, from calling in from home.

7 We get that help, and I'm not really

8 answering your question, but I am just trying to

9 give some context as to -- we do look closely to

10 see if we are hitting the mark.

11 CHAIRMAN JACZKO: I think that's very fair and I

12 think it does answer the question.

13 I think, Elmo as you indicated, a high

14 number of crosscutting issues can be ultimately --

15 if we have the right programs in place, that is not

16 necessarily an NRC problem, that is a licensee

17 problem.

18 It sounds like from what we have heard that

19 you have a good program to ensure reliability

20 across the Regions.

21 That may be telling us something important

22 that there may be bigger challenges with those

1 issues in Region IV.

2 I appreciate the level of thought and
3 oversight that has gone in to trying to ensure that
4 that reliability throughout the programs.

5 One issue, we talked -- Luis perhaps this
6 is a question for you about human capital, we
7 didn't touch on perhaps, I think one of the
8 challenges that we may face and may begin to face
9 more and more, and that is with the increasing use
10 of risk tools and risk informed rulemaking, are we
11 putting in place the right kinds of programs to
12 train our residents, to train the inspectors, to be
13 able to know how to inspect and oversee these kinds
14 of programs when they're being used actually in the
15 field?

16 It's a very different kind -- if you look
17 at an MSPI or something like that where they're
18 having to make a decision and it's a black box so
19 to speak.

20 How do we deal with that?

21 MR. REYES: We have changed the qualification
22 program through the years, and in the recent times we have

1 added formal training requirements in the area of
2 risk.

3 That includes not only the technical staff,
4 but even the managers have to go.

5 I had to attend training myself.

6 We're tried to make the whole organization
7 more knowledgeable about that.

8 Remember that we always have the experts to
9 call upon in the program office.

10 Now, there were positions instituted in the
11 Region, the senior reactor analyst, and those
12 individuals -- all their expertise is really
13 channeled to this area.

14 All of them have been inspectors, most of
15 them have been senior resident inspectors, so they
16 bring the field experience with the theory and the
17 calculations and the risk, and they are a very
18 active part of what we do every day.

19 For example, the routine if there is an
20 even a plant, we try to assess right away its
21 risk significant, as the partnership. The inspectors
22 give us the details, the senior risk analysts in the

1 Region get involved, and we make a decision for our
2 response.

3 Our response now to an event is measured by
4 risk.

5 We have a Management Director 8.3 that is
6 very specifically tells us our response.

7 I feel pretty comfortable that we are
8 enhancing the skills to keep the match with all the
9 risk tools that are being used.

10 MR. SATORIUS: If I could just add one thing, and
11 that is we use the same senior reactor analysts, kind of our
12 PRA experts, to prepare our teams -- our large team
13 inspections, CDBI, fire protection to look at the
14 specific plant and see where the risks are, what systems
15 should we pick to inspect.

16 We go out and it's smart sampling, is what
17 it is.

18 We go to where we get the biggest bang for
19 the risk buck, and those folks spend time prepping
20 the team and getting it ready to go.

21 MR. REYES: And, for example, I need to add to
22 that.

1 There is a refueling outage at a site and
2 we have our inspection plan.

3 The senior risk analysts will coach the
4 staff during the inspection on what samples -- for
5 example, if the outage has activity of replacing
6 breakers in redundant trains, you could have a
7 common mode problem introduced if it is the same
8 individual, if the procedure is flawed and is using
9 both of them.

10 The risk analysts drive our inspection
11 sampling for that refueling outage based on that.

12 I feel we have incorporated it into our day to
13 day activities.

14 CHAIRMAN JACZKO: I think that will become more
15 and more of an important skill as we go forward.

16 It's good to hear that we have good
17 programs in place.

18 Commissioners Svinicki mentioned that she
19 converted the paper on the incentives and other
20 flexibilities, particularly for the Regions to deal
21 with some of the capital issues and the mobility
22 challenges.

1 Is there anything right now that you think
2 is not working in that -- on those programs that
3 the Commission approved; any additional issues you
4 that you think would be useful or helpful to have
5 that the Commission should consider looking at?

6 MR. REYES: I will ask my colleagues to chime in.

7 I had this issue we are
8 monitoring the real estate market.

9 That is a significant issue.

10 It is geographically different, some parts
11 of the country have really been impacted, while
12 others may be have been impacted less.

13 The example I gave about relocating to a
14 rural community versus a city, there are a lot of
15 dynamics there.

16 We are using every flexibility you gave us,
17 I think we are working it, but there are challenges
18 on the horizon we need to keep appraised of.

19 That's why we are monitoring the other
20 pilot programs.

21 MR. SATORIUS: I agree with Sam, we are making it
22 work.

1 We are using those efforts -- and we appreciate
2 the support that we got from the Commission on some
3 flexibilities as far as relocation pay.

4 I think we are taking a sensible approach
5 towards -- the seven years is somewhat arbitrary,
6 but it is seven years.

7 The real point here is objectivity and
8 there are oftentimes other ways of maintaining
9 objectivity by moving people around, and Branch
10 Chiefs get out to the sites enough to know -- a
11 person might be objective for three years in one
12 area, but he or she could be objective for a much
13 longer length of time.

14 We've gotten that flexibility to move those
15 out for a few years, as long as we have some
16 processes in place to make sure we maintain that
17 objectivity.

18 MR. MALLETT: Chairman, if I could -- this is
19 Bruce Mallett.

20 We also took the items that came from a
21 task force made up resident inspectors and Regional
22 and headquarters staff, and we only came to the

1 Commission for maybe the first half dozen of those
2 suggestions they made in this area.

3 We have tasks out in various offices right
4 now working on the additional items.

5 Our intention is to come back to the
6 Commission with a paper saying here is some other
7 things.

8 One of those items is the one Luis
9 mentioned on the home buyout program.

10 CHAIRMAN JACZKO: I appreciate that, and I think
11 when we had this discussion in the past about the
12 Regional -- or resident inspectors it was interesting, I
13 pulled a GAO report about this issue in the past, and
14 surprisingly the GAO said we shouldn't have any cap on when
15 we would -- for resident tenure, and they, in their report
16 indicated similar to what you said Mark, that there are other ways to
17 maintain objectivity.

18 Periodically moving people back to the
19 Regional headquarters or other kinds of strategies
20 to do that.

21 Hopefully, we won't get to that point that
22 we ever really need to go in that direction of

1 really not being able to move people, but it seems like with some flexibilities
2 that we have, Sam and everybody has said, we are able to achieve that.

3 It certainly sounds like -- when I heard
4 there's strong interest from the Commission in
5 these issues, in particular in the DHS pilot.

6 As we go forward we can put some SRM
7 language in to capture that and reflect that
8 concern and keeping the Commission informed on that
9 as we go forward.

10 With that, again, I would thank everybody,
11 Bill, for putting together this fine team of
12 resident inspectors -- I'm sorry, of Regional
13 Administrators, former resident inspectors, and
14 appreciate all of the work you do whether your
15 boot's on the ground or rubber on the road or
16 stomachs and faces.

17 You're obviously a crucial piece of the
18 agency and we appreciate all the work you do.

19 Thank you very much.

20

21 (Whereupon, the meeting was adjourned at
22 11:16 a.m.)