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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Title: ALL EMPLOYEES MEETING ON "THE GREEN"
PLAZA AREA BETWEEN BUILDINGS AT WHITE
FLINT - PUBLIC MEETING

Location: Rockville, Maryland

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ALL EMPLOYEES MEETING ON "THE GREEN" PLAZA
AREA BETWEEN BUILDINGS AT WHITE FLINT

PUBLIC MEETING

Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland

Thursday, October 17, 1996

The Commission met in open session, pursuant to notice, at 1:35 p.m., the Honorable SHIRLEY A. JACKSON, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

- SHIRLEY A. JACKSON, Chairman of the Commission
- KENNETH C. ROGERS, Member of the Commission
- GRETA J. DICUS, Member of the Commission
- NILS J. DIAZ, Member of the Commission
- EDWARD McGAFFIGAN, JR., Member of the Commission

P R O C E E D I N G S

[1:35 p.m.]

1
2
3 MRS. NORRY: Good afternoon, everyone.

4 Welcome to the second session of the sixth annual
5 meeting between the NRC commissioners and the NRC staff. We
6 have an opportunity, after the Chairman has finished her
7 remarks, for all of the people in this tent to ask
8 questions. There are microphones for that.

9 The regions will be asking questions from the
10 communications equipment back there and then we will be
11 relaying them to Sue Smith and James Heck who will state
12 their questions.

13 What?

14 VOICE: Take a step backwards.

15 MRS. NORRY: A step backwards? Okay, is this much
16 better?

17 VOICE: Take two more steps back.

18 [Laughter.]

19 MRS. NORRY: After we hear from the comedian up
20 front, we will be ready to go ahead.

21 I think I will just make one more remark and that
22 is that this meeting is open to the public but it is for the
23 NRC staff so if there are questions from the NRC staff,
24 those are the questions that would be appropriate.

25 Now, I would like to introduce Chairman Jackson.

1 CHAIRMAN JACKSON: Thank you very much,
2 Mrs. Norry. I would like to express my special thank you
3 for all of the hard efforts of you and your colleagues in
4 putting this together, especially in arranging the weather
5 which, I will point out, I note, is a little warmer now than
6 this morning.

7 And, as far as our comedian on the front row, he
8 is going to be given a little bit of dispensation since he
9 is sitting through this for the second time.

10 [Laughter.]

11 CHAIRMAN JACKSON: Let me begin by saying that, on
12 behalf of my Commission colleagues, I want to welcome you to
13 this special meeting of the Commission with the NRC staff.
14 These All Employee Meetings have been held annually since
15 1991 to facilitate communication between the Commission and
16 individual members of the staff and to enable employees to
17 become better acquainted with newly appointed commissioners.
18 Today's meeting serves both of these purposes.

19 Because this is the first All Employees Meeting in
20 some time where we have had a full five-member Commission
21 and since many of you may not have had the opportunity to
22 meet all the current commissioners, I would like to
23 introduce my colleagues to you.

24 On my immediate right is the dean of the
25 commissioners, Commissioner Kenneth C. Rogers, who is

1 serving his second five-year term as a commissioner. He
2 previously served as president of the Stevens Institute of
3 Technology in New Jersey.

4 On my immediate left is Commissioner Greta Joy
5 Dicus, who previously was with the Department of Health in
6 the state of Arkansas and served that state as a
7 commissioner and as Chairman of the Central Interstate Low-
8 level Radioactive Waste Commission and was a member of the
9 board of directors of the U.S. Enrichment Corporation.

10 On my far right is Commissioner Nils J. Diaz.
11 Dr. Diaz came to the NRC from the University of Florida,
12 where he was a professor of nuclear engineering sciences and
13 director of the innovative Nuclear Space Power and
14 Propulsion Institute.

15 And, on my far left, is Commissioner Edward
16 McGaffigan, Jr., formally a senior advisor to U.S. Senator
17 Jeff Bingaman of New Mexico and Commissioner McGaffigan was
18 a member of the U.S. Foreign Service for seven years.

19 All of us have been looking forward to having this
20 meeting with you.

21 Our format today will be the same as that used for
22 our session last year. That is, following my opening
23 remarks -- it says here "brief" but some told me they
24 weren't so brief -- the Commission will entertain questions
25 from NRC employees here as well as from our regional and

1 field offices, which are connected to us by open telephone
2 lines. This is your meeting and the agenda will be
3 determined by your questions. This is your opportunity to
4 ask us the questions that you would like to have answered.

5 I encourage each of you to participate actively
6 and to be candid in expressing your concerns. The
7 Commission needs to know what your concerns are if we are to
8 be effective in setting Agency policy and you need to hear
9 our responses so that you can be effective in carrying out
10 your responsibilities.

11 My Commission colleagues and I will respond to
12 your questions to the best of our abilities based on our
13 understanding of your concerns as well as our individual
14 perspectives. This informal exchange of views is the only
15 reason we are here.

16 Before I turn the microphones over to questions, I
17 would like to outline my assessment of what we have
18 accomplished this year since our last All Employees Meeting
19 and where I think we, as an agency, need to move in the
20 future.

21 As you will recall, shortly after becoming
22 Chairman, I described my early impression of the NRC as an
23 excellent technical organization that was finding itself
24 subject to an internal and external changes. In light of
25 the strong impact of this changing environment, I suggested

1 that it seemed inevitable that the NRC would have to change
2 as well if we were to carry out our regulatory
3 responsibilities successfully.

4 In retrospect, I think the picture I drew last
5 year was reasonably accurate. The agents of change were
6 very busy. Competitive pressures and economic deregulation
7 did have a strong impact on the nuclear power industry and
8 that industry has begun to react, somewhat tentatively
9 initially, by consolidating its activities and merging to
10 form new, larger operating units.

11 One of the first such mergers took place right
12 here in our own backyard, so to speak, with the merger or
13 the announced merger of Baltimore Gas and Electric and
14 PEPCO. In the meantime, state public utility commissions
15 have begun to define rather precisely the responsibilities
16 that existing utilities and new entities in the business of
17 producing and distributing electric power will have in a new
18 competitive marketplace.

19 The U.S. Congress has had a fairly broad agenda of
20 energy-related legislative proposals to consider this year
21 and can be expected to maintain its strong interests in such
22 matters next year, no matter what the outcome of the
23 November elections.

24 At the NRC, we have been busy reacting to change
25 and to challenge over the past year and I think we can be

1 proud of what we have accomplished. We have continued to
2 carry out our regulatory mission of protecting public health
3 and safety and to maintain our fundamental regulatory
4 activities despite continuing budget restrictions and the
5 national effort to reduce the size of government.

6 Sometimes, when we look at ourselves and our
7 budget, we think of ourselves as a small, not-so-important
8 agency. But if we look at the importance of our mandate,
9 namely adequate protection of public health and safety and
10 the environment and the common defense and security in the
11 use of nuclear materials in the United States, and if we
12 look at the scope of that responsibility, combined with the
13 net capital investment in the range of activities that we
14 regulate, we are not small at all; our importance is very
15 great.

16 Potential new activities will give even greater
17 weight to what we do at a time when significant changes are
18 occurring for those that we regulate. I believe that we
19 have taken significant steps to position ourselves for
20 future changes that are likely to impact us.

21 Last month, we issued a draft policy statement on
22 economic deregulation of nuclear power plants outlining our
23 concerns about the adequacy of decommissioning funds as well
24 as the potential of these changes to impact reactor
25 operational safety. Our relationship with the Department of

1 Energy is being redefined rapidly. As you know, the
2 Department has requested NRC involvement in its pilot
3 project to develop a high-level radioactive waste
4 solidification system at Hanford, Washington, in order to
5 facilitate possible NRC licensing of a privatized Hanford
6 facility soon after the year 2000.

7 During fiscal year 1997, NRC will begin the
8 development of an overall review strategy to be made
9 available as guidance for potential DOE contractors at the
10 site. Also in fiscal year 1997, the NRC will begin
11 assisting the Department of Energy through a memorandum of
12 understanding in evaluating alternative approaches to
13 tritium production. One alternative under consideration by
14 DOE for evaluation is the production of tritium in
15 commercial light water reactors. The NRC will be evaluating
16 potential policy issues and licensing requirements to
17 implement such an approach.

18 Possibly even more farreaching, we are being
19 considered for a broader role in the oversight of DOE's
20 nuclear activities. Such an increase in our regulatory
21 responsibilities, if adopted by the Congress, would require
22 adequate resources and sufficient time to develop a sound
23 regulatory program but one that would not conflict with our
24 current program.

25 Finally, we intend to assume regulatory oversight

1 of the operations of the U.S. Enrichment Corporation by
2 March 3 of next year.

3 On the international scene, the Convention on
4 Nuclear Safety negotiated over a three-year period by
5 representatives from over 65 nations will enter into force
6 on October 24, thereby helping to ensure a safer global
7 environment. In the United States, ratification of the
8 treaty which the U.S. and particularly the NRC had major
9 roles in developing, is currently before the Senate and we
10 hope to obtain early Senate approval in the next Congress.

11 We also are finding international support for my
12 proposal to establish an international nuclear regulators'
13 forum in which nuclear regulatory officials from all over
14 the world can exchange views, coordinate approaches and
15 harmonize arrangements for the safe and secure use of
16 nuclear energy for peaceful purposes.

17 Within the Agency, we have made significant
18 progress in our strategic assessment and rebaselining
19 initiative. I want to note here that the issue papers are
20 out for public and NRC staff comments and we intend to be in
21 a position to reach final decisions on them in the December
22 to January time frame.

23 While we have been busy preparing ourselves for
24 future change, we have also continued to improve our
25 existing major safety programs. In the reactor area, we are

1 expanding our use of PRA, probabilistic risk assessment, to
2 ensure that the Agency's resources and activities are
3 focused on the issues that are most important to safety. We
4 have modified our processes for evaluating nuclear plant
5 performance and we are taking steps to improve our program
6 for protecting allegers against retaliation.

7 In the nuclear materials and waste area, we have
8 improved our cooperation with the states on regulation of
9 radioactive material. We have streamlined our materials
10 licensing and inspection processes. We have adopted a new,
11 performance-based licensing approach with respect to uranium
12 recovery facilities and we have started a process, initially
13 with respect to our medical program, to evaluate more
14 broadly whether our materials program standards and
15 regulations are appropriately focused on the health and
16 safety issues of significance for their licensees.

17 In research, we are focusing our efforts on PRA,
18 on reactor component aging and on consolidating our efforts
19 on thermal hydraulics into a comprehensive long-range plan.

20 Taken together, then, all of these efforts
21 represent a significant attempt to improve our performance
22 and to adjust to changing circumstances and we, as an
23 agency, then, have much to be proud of in our record over
24 the past year. I certainly am proud of all of our
25 accomplishments and our efforts to be ready to address the

1 new responsibilities we may take on during the next twelve
2 months and beyond. And I think each of you should take
3 pride in the individual roles that you have played in this
4 overall effort.

5 Unfortunately, much of what we have accomplished
6 has been seriously overshadowed by events primarily in New
7 England. The Millstone, Connecticut Yankee and Maine Yankee
8 plants are likely to leave in many people's minds a more
9 permanent stamp on the record of the last twelve months and
10 to characterize the performance of the NRC more than any of
11 the accomplishments that I have described that have occurred
12 over the same period.

13 In part, this result is only to be expected. A
14 regulator lives a difficult life. Those of you who are
15 sports fans or have participated in a formal debate know how
16 much more difficult it is to maintain a defensive posture
17 than it is to mount an offense. An offense requires a
18 focus, a clear goal and some ability to move forward to
19 actually carry it out. A defensive posture requires
20 effective plans against all contingencies.

21 Regrettable as it may seem, it only takes one
22 event to call into question the ability or the willingness
23 of a regulator or, in the sports genre, an umpire or a
24 referee to accomplish his mission.

25 Having said that, it would be a serious mistake,

1 however, on our part to dismiss the events at Millstone in
2 particular as presenting merely an interesting set of
3 technical problems that will ultimately be addressed and
4 resolved with time and increased attention by the NRC. As I
5 noted last March when I addressed all of you on the Time
6 Magazine article about Millstone, if we honestly assess the
7 performance of the utilities in question and our own
8 performance, we would agree that not all aspects of nuclear
9 operations and nuclear regulation are as they should be,
10 despite all of our efforts to the contrary. And although we
11 have much yet to learn about the situation at Millstone and
12 it would be premature to state final conclusions, we do know
13 enough about the conditions at those plants to begin to ask
14 ourselves some thought-provoking, probing questions about
15 whether we have succeeded in establishing the safety culture
16 we have been trying to establish throughout the nuclear
17 power industry, whether we are succeeding as well as we
18 should in anticipating problems in advance, and whether we
19 are asking ourselves the right questions about the way we
20 have done things in the past or are doing them now and
21 whether NRC personnel both in headquarters and on site, in
22 evaluating licensee activities are sufficiently familiar
23 with regulations and requirements that apply to the specific
24 activity being focused on.

25 When I look at the recent events at Millstone, I

1 see two broad decisions that, if we could go back and
2 change, we would. We should have put more NRC resources on
3 discovering the problems at Millstone at an earlier stage
4 and possibly turned the facility around prior to its
5 reaching its current status. The other is that we stopped
6 doing design-basis inspections too early and relied on
7 industry to address the problem without maintaining an
8 appropriate regulatory focus to assess whether, in fact,
9 they were dealing with the issues in a timely manner.

10 Now, this is not to say that we cannot rely on the
11 industry because we have to rely on the industry and they
12 are the ones responsible for the safe operation of their
13 facilities. Our responsibility to regulate, to set
14 appropriate safety requirements and to insist upon
15 compliance with existing requirements. We cannot delegate
16 our regulatory responsibility to the industry.

17 Now, I want to address a few more remarks toward
18 our expectations of licensee performance and the emphasis of
19 our own regulatory oversight. I see a real danger in being
20 ensnared by false distinctions that I hear between safety
21 and compliance in our regulatory program. In fact, the
22 concepts are inextricably bound.

23 A licensee's compliance with our regulations and
24 safety conditions is, in fact, fundamental to our confidence
25 in the safety of licensed activities. As I have said any

1 number of times, if there are requirements on our books that
2 have nothing to do with safety, we should remove them
3 through the well-established processes that we have to make
4 such changes. That is untenable, as a regulatory agency, to
5 imply that regulatory requirements can be ignored.

6 I recognize that, as an agency with limited
7 resources and staff, we must make informed choices in
8 applying our resources to the most safety-significant
9 activities or challenges requiring our oversight. This
10 drives the importance of risk-informed regulation. By
11 focusing our resources on those most significant issues and
12 maintaining high expectations for licensees' adherence to
13 existing requirements until and unless they change, we will
14 strengthen the quality of our oversight and public
15 confidence in it and we will enhance consistency and
16 objectivity in our evaluation and enforcement and thereby
17 help to ensure fairness for everybody.

18 Of course, an event like Millstone quite obviously
19 suggests a need for change, change in the industry as well
20 as change at the NRC, and we should welcome the opportunity
21 that Millstone affords to correct and to improve our
22 performance as a regulatory body responsible for protecting
23 public health and safety. I do have concern, however, that
24 some of you may view any suggestion for change as a
25 criticism of both your personal performance and the Agency's

1 overall performance.

2 I personally believe that such a view is mistaken,
3 for any organization must change over time and in response
4 to the challenges that it faces. We are, in effect,
5 learning as we go and Millstone provides a timely lesson.
6 In fact, change and learning are built on the foundation of
7 the past, of what we have done and how we have built our
8 programs.

9 So let me say again, the NRC is a highly technical
10 but highly competent agency that employs many
11 extraordinarily gifted and dedicated people. What we need
12 to do is to work together to continue to have a strong,
13 respected organization, and we are strong and respected, and
14 an important part of working together is communicating
15 clearly with others and listening carefully and attentively
16 to what is being communicated to us.

17 Communication and improvements in how we do
18 business are also the key features of our strategic
19 assessment and rebaselining at this stage of its evolution.
20 As you know, issue papers have been published for comment
21 and we will soon be holding a series of meetings across the
22 country to obtain comments from the general public and other
23 stakeholders. We are also looking forward to hearing from
24 each of you in this process.

25 I know many of you are concerned about the impact

1 of strategic assessment and rebaselining on your own
2 careers, on your own jobs, but I want to assure you that, to
3 date, we have only made preliminary decisions on the issue
4 papers. We are counting, in fact, on your input to help
5 guide us in making final decisions and we want you to
6 identify any and all concerns that you may have. Be candid,
7 be straightforward, be thoughtful but, by all means, please
8 provide us with your comments.

9 In that regard, I would like to draw your
10 attention not just to those issue papers that may directly
11 impact your individual jobs but to Issue Paper Number 23,
12 which is entitled Enhancing Regulatory Analysis, which is
13 directly applicable to the issues I have discussed today and
14 to the general direction of the Agency. We welcome your
15 comments on what you see as the major problems and issues
16 affecting the agency and any solutions you may care to
17 offer.

18 Now, let me turn the meeting over to you and I
19 would ask each of you who wishes to ask a question, to use
20 one of the microphones that have been placed around.

21 Please feel free to direct your question to me or
22 to any one of us and if your question is intended for all of
23 us, I will then refer it to each of my colleagues in turn.

24 So, may I have the first question, please?

25 MR. HECK: Good afternoon. This is a question

1 from headquarters. It is an anonymous question.

2 What is the Commission's view on the role of
3 enforcement in the Commission's regulatory process,
4 especially civil penalties? Have we been using civil
5 penalties enough?

6 CHAIRMAN JACKSON: Well, I think that at any given
7 time one can't answer the question "enough". But let me
8 speak to what I think is the more fundamental issue which is
9 the role of enforcement in a regulatory program.

10 We are an oversight agency and we are an agency
11 that provides that oversight relative to standards that we
12 lay out that have, at their root, safety and protection of
13 public health. If you have an agency that lays out
14 standards and then oversees licensees' activities relative
15 to those standards then the enforcement function is part of
16 evaluating and assessing and taking appropriate action
17 relative to any difficulties relative to licensees living
18 within our regulatory requirements.

19 We are looking at -- the enforcement policy has
20 undergone some revision recently and it is continuing to be
21 evaluated both with respect to being sure that the risk and
22 safety significance of whatever occurs is clearly folded
23 into our evaluations as well as looking at the pervasiveness
24 of regulatory noncompliance. So it is very important in
25 sending clear messages about the importance of the licensees

1 living within our regulatory regime and their own
2 responsibilities to operate their own facilities safely.

3 So enforcement and inspection and program
4 evaluation, they are critical elements of our overall
5 regulatory process and of our oversight function.

6 Yes?

7 MS. SMITH: This is another anonymous headquarters
8 question and this question is for the Chairman.

9 The opportunity for clerical and paraprofessional
10 staff within the NRC are limited. There has only been a
11 limited number of upward-mobility positions in the past two
12 years. Several positions were recently filled
13 noncompetitively within the Commission, the EDO and the
14 Office of Personnel.

15 What can be done to create more opportunities for
16 clerical or paraprofessional staff?

17 CHAIRMAN JACKSON: Well, I think that what
18 opportunities should exist for all of our people have to be
19 referenced to what the jobs require and the qualifications
20 of people to meet those jobs because of the particular
21 nature of the agency that we are. Having said that, I think
22 that we have to continually evaluate our ability to provide
23 a conducive work environment and opportunities for people to
24 move along in their careers and to improve their relative
25 job status.

1 What that then requires is career planning,
2 appropriate appraisal and counseling on the part of the
3 management, clear advertisement of available opportunities.
4 But it also requires a proactiveness on the part of the
5 individuals who are interested in any different positions to
6 make themselves as competitive as they can be.

7 Each commissioner has the opportunity to build his
8 or her staff the way that commissioner feels will help
9 enhance his ability or her ability to carry out that role
10 and, in the process, interviews any number of people.
11 Commissioner McGaffigan I think went through 40 people I
12 think he said.

13 So I think all of us who are hiring people in our
14 offices at this level are trying to be as open as we can be
15 and I think -- but I think I will take the question as a
16 suggestion in terms of looking carefully at our personnel
17 policies and seeing what we might do in that regard to see
18 if there is an issue there.

19 QUESTION FROM AUDIENCE: I would like to direct
20 this question to all the commissioners.

21 Last year, the Commission described the 17 million
22 high-level waste appropriation as the absolute minimum.
23 This year, Congress is appropriating 11 million for the
24 high-level waste program, making the program subminimal.

25 How do you see the situation, which I know you

1 can't do anything about, affecting the waste confidence
2 rulemaking? The waste confidence rulemaking mentions
3 reasonable assurance of having a geologic repository by
4 2025.

5 CHAIRMAN JACKSON: Well, I think there are two
6 issues here and they are related but they are actually
7 distinct issues. One has to do with our ability to maintain
8 our technical competence to undergird any decisions that we
9 would make relative to the licensing of a high-level waste
10 repository. The linkage is if our ability to carry out such
11 a licensing process is compromised and it then redounds back
12 to whether a repository would come into existence, then it
13 affects the waste confidence decision.

14 But the bigger issue that affects the waste
15 confidence decision is the country reaching clarity on what
16 the overall comprehensive high-level waste management
17 program is tracking, you know, according to Commission
18 perspective to the construction and operation of a high-
19 level waste geologic repository.

20 But we have also said that an integrated waste
21 management program that has on-site storage, centralized
22 interim offsite storage and a geologic repository are all
23 components of a coherent national radioactive waste
24 management program. We still believe that the repository is
25 the end game and we are looking and monitoring what

1 particularly may happen in the next Congress.

2 We are operating under the existing Nuclear Waste
3 Policy Act and its amendments which are focused and link the
4 nation's high-level waste program to the construction of a
5 high-level waste repository. If that is significantly
6 jeopardized in the large by budget considerations, then we
7 would have to look again at our waste confidence.

8 So what I am saying to you, the reason I say there
9 are two issues, one relates to our own specific technical
10 confidence, but the other relates to where the nation's
11 high-level waste program is going and, in the end, that is
12 what -- our fate and what happens to our budget, in fact, is
13 linked to what's happening to that. So that is what we are
14 focusing on and need to speak out on and have. I have been
15 and we have made those messages clear to the Congress.

16 Commissioner McGaffigan was recently on the Hill.
17 I don't know if he has some illuminating comments he wishes
18 to make.

19 COMMISSIONER MCGAFFIGAN: One point I will make to
20 you in addition to what the Chairman said, which I agree
21 with, is we have requested in our FY '98 request \$17 million
22 so we are going to try to get back to that.

23 I think this year we were a casualty, that the
24 reduction to 11 million which happened -- I was doing
25 defense work at the time --

1 CHAIRMAN JACKSON: We can't blame you, then.

2 COMMISSIONER McGAFFIGAN: But I think it is very
3 regrettable and I can go into some detail, not in an open
4 session, as to what my theory is as to why that happened.
5 Because I think the signal the Chairman got at the time of
6 the House Appropriations Committee was a very positive
7 signal, give her everything she was asking for, but then
8 that got caught up in so much different politics both on
9 budget and Yucca Mountain.

10 The other point I will make is I hope it doesn't
11 affect our ability to do the rulemaking. I think we are
12 going to do the best we can with the resources we have. We
13 have some carryover funds and we have even some possibility,
14 which we will have to discuss in budgetary terms, to augment
15 that if it is necessary during the current fiscal year. But
16 it is a very important program, it is something we I think
17 uniformly support the \$17 million and we will try to do a
18 better job persuading the entire Congress next year to get
19 us that amount of money.

20 CHAIRMAN JACKSON: The point I want to make, the
21 real point of my remarks is that, individually, as an
22 Agency, we are going to be doing what we have to do to have
23 the money that we need. But at a certain level it won't
24 matter if we have \$17 million for our high-level waste
25 effort if there is no national program and that is the point

1 I really want to make.

2 Commissioner Dicus, did you have any comments?

3 COMMISSIONER DICUS: No.

4 CHAIRMAN JACKSON: Thank you.

5 QUESTION FROM AUDIENCE: This is a follow-on
6 question to the first question on the enforcement program
7 and it is directed to the entire Commission.

8 Does the Commission believe that NRC regulatory
9 enforcement today is sufficiently aggressive?

10 CHAIRMAN JACKSON: I think that the Commission is
11 examining that. I think we have already become within the
12 current context more aggressive and we have asked for
13 specific changes in the enforcement policy and they are
14 being developed through the Office of Enforcement as we
15 speak.

16 Commissioner Rogers?

17 COMMISSIONER ROGERS: Well, I think I totally
18 agree with the Chairman's comments that we are looking at
19 this.

20 I would say one aspect of enforcement that has
21 troubled me over the years is its timeliness, that sometimes
22 the enforcement action itself may be appropriate but it
23 comes at such a late date in the history of things that it
24 really doesn't produce very much effect at all because some
25 of the perpetrators of a misdeed, if they are misdeeds or

1 whatever, have retired, left, died of old age, what have
2 you, and the best that we can accomplish is simply putting
3 the licensee in the newspaper.

4 I think that that is an issue, I know the Office
5 of Enforcement has always been concerned about trying to act
6 more rapidly. I think that is something that we just have
7 to keep aggressively pursuing because I think the timeliness
8 is related to the effectiveness. They are not totally
9 separable issues so that the size of the penalty, the way it
10 is administered, so on and so forth, are all important but
11 if they come -- if this all comes at a very late date, it
12 doesn't have very much effect.

13 CHAIRMAN JACKSON: Commissioner Dicus?

14 COMMISSIONER DICUS: I think you are hearing that
15 we are in pretty much agreement up here at this table on
16 what some of the approaches might be and I certainly
17 underscore the timeliness together with the effectiveness.
18 It is not -- it may not be so much the quantity of
19 aggressiveness that is necessary as much as it is the type
20 and being able to appropriately being able to monitor the
21 effectiveness of what we do.

22 We must have in place those mechanisms that do
23 that and if we find that, perhaps, we are not being as
24 effective as we should be, then we have to have the
25 flexibility to quickly make a modification in what we do to

1 ensure that we can meet our mission.

2 CHAIRMAN JACKSON: Commissioner Diaz?

3 COMMISSIONER DIAZ: Yes, I think we are going to
4 see now one of the values of the Commission. First we used
5 the word timeliness, then effectiveness. I am going to add
6 another one, consistency. So you go from one to the other
7 to the other. They are all indispensable and we have
8 discussed the issue and we are very concerned about it.

9 I believe that you know regulation, regulatory
10 enforcement are just elements of what we tend to call a
11 safety culture and, as far as I am concerned, I have been
12 looking at it from all possible viewpoints and I believe the
13 underlying support structure is a tracking infrastructure
14 and that tracking infrastructure permeates every level at
15 which the Commission works and especially should apply to
16 the enforcement area.

17 CHAIRMAN JACKSON: Commissioner McGaffigan?

18 COMMISSIONER MCGAFFIGAN: I really don't have
19 anything further to add. We are serious about enforcement.
20 We are certainly looking at it, as Chairman Jackson said, in
21 terms of improving our enforcement policy and all the ways
22 all the other commissioners have already said.

23 CHAIRMAN JACKSON: You have heard effectiveness,
24 you have heard risk and safety significance, you have heard
25 pervasiveness, you have heard timeliness, you have heard

1 consistency and you have heard the ability to be sure that
2 we are properly tracking things. I think that is your
3 message.

4 QUESTION FROM AUDIENCE: Thank you.

5 CHAIRMAN JACKSON: Yes.

6 MR. HECK: Okay, we have another question from
7 headquarters and it is once again anonymous.

8 In some of our support organizations, there
9 appears to be an increase in the hiring of contractors. It
10 is a two-part question.

11 Number one, will this lead to NRC staff without
12 assignments or an overage of Agency staff? And, number two,
13 why doesn't the NRC survey Agency staff to identify those
14 able to perform other duties before hiring more contractors?

15 CHAIRMAN JACKSON: The EDO's responsibility in
16 overseeing the day-to-day management of the Agency is to
17 ensure that the tasks get done in the most effective way
18 possible. It is also important when that is done that our
19 policies are sensitive to people and what happens to them.

20 But, in the end, we want to have an agency that
21 operates the way it has to operate, in the most cost-
22 effective way that it has to and we try to be balanced, we
23 try to balance sensitivity with respect to employees with
24 what kinds of jobs really need to be done here.

25 Next question?

1 MS. SMITH: This question came from Region III and
2 it was asked at this morning's session. It is to the new
3 commissioners.

4 What are your opinions of the National Academy of
5 Sciences' recommendations regarding NRC oversight of medical
6 facilities?

7 CHAIRMAN JACKSON: I introduced Commissioner Dicus
8 as a new commissioner this morning in that regard. I am not
9 going to put her on the spot. I am going to start in
10 inverse order and ask Commissioner McGaffigan.

11 COMMISSIONER MCGAFFIGAN: My reactions to the
12 Academy report frankly is that we do have to stay in the
13 medical regulation business. I don't think, as I said this
14 morning, the medical community does a very good job in the
15 areas where it self-regulates. If you watch 60 Minutes or
16 any of the other TV news shows, you can see no end of horror
17 stories where state medical boards don't discipline their
18 fellow physicians very rapidly.

19 One thing I will tell you, I heard several -- in
20 interviewing people, the 40 people that Chairman Jackson
21 referred to, I heard several horror stories about how some
22 other agencies in government and how some of our agreement
23 states who have a broader view of medical issues than we do
24 because they regulate X-rays, mammograms, other devices,
25 accelerators, some of the horror stories that we have of

1 physicians taking off their dosimeters in order to continue
2 to perform surgeries. That's a risk they are taking
3 themselves but it then can sometimes pervade their view of
4 the risks for everyone else around them.

5 So in answering the question for Region III, my
6 bias as I arrive at the Agency is that there is a role for
7 us to do, we do it responsibly and, because we do it
8 responsibly, we get a lot of grief. There are things we can
9 do to improve if we have overregulated in detail as some of
10 the allegations are. I think the staff has already got
11 ideas as to how to deal with some of that. But to give up
12 our fundamental role in the medical arena is not something I
13 come to this agency prepared to do.

14 CHAIRMAN JACKSON: Commissioner Diaz?

15 COMMISSIONER DIAZ: Well, I agree that the NRC has
16 an important role to conduct and maintain regulation over
17 the medical area.

18 I had made a statement this morning that I would
19 like to have stricken from the record.

20 [Laughter.]

21 CHAIRMAN JACKSON: Don't repeat it.

22 COMMISSIONER DIAZ: Maybe that's a wise thing, but
23 I will go ahead and say it again. I spent six years, about
24 half time, as a nuclear medical physicist in three different
25 facilities and I had decided that I would have a safer job

1 by working in nuclear rockets, which I did.

2 [Laughter.]

3 COMMISSIONER DIAZ: Besides that point, I think
4 there are some good points in the Academy report but I do
5 believe and I support the Commission on the issue of
6 maintaining NRC activities in that area.

7 CHAIRMAN JACKSON: Commissioner Dicus?

8 COMMISSIONER DICUS: I notice we are all giving
9 the same answer this afternoon as we did this morning, so
10 that's good and I will try to remember what I said this
11 morning.

12 As you know, it is one of the issue papers and I
13 think it is one of the issue papers that we did not give, as
14 a Commission, a preliminary view. We are clearly very
15 interested in hearing the comments we get back from all of
16 the stakeholders to really look at what is the best thing to
17 do with the medical program.

18 I know from my familiarity with the states, both
19 the agreement states and the nonagreement states have
20 expressed a great deal of concern the NRC does get out of
21 the medical use program and I would think that is probably
22 unlikely. I think as you have heard we probably do need to
23 make some modifications in that program and what we will
24 look at and the comments we get back from our stakeholders,
25 hopefully in those will be a lot of thoughts on what we can

1 do to improve what is basically a good program, make
2 improvements in it.

3 CHAIRMAN JACKSON: Okay. Any other questions?

4 QUESTION FROM AUDIENCE: The Commission gets a
5 number of pen pals that write frequently and in some cases
6 have an agenda. My question to you, we are hearing a lot
7 about how to protect allegeders from the outside. My question
8 to you is, what is the Commission doing to protect its staff
9 from unwarranted and unjustified allegations?

10 CHAIRMAN JACKSON: Well, I think that when
11 allegations are made, we have created a new allegations
12 review process with an allegations review coordinator whose
13 job it is to see that allegations are dealt with and
14 allegeders appropriately.

15 As you know, the Commission did issue policy
16 statements having to do with the freedom of employees in the
17 nuclear industry to raise safety concerns without fear of
18 retaliation as well as a policy statement having to do with
19 maintaining confidentiality relative to allegeders.

20 I think we are well aware of the fact that most of
21 the correspondence that comes, comes into my office in that
22 regard, that there are those who are repetitive writers, who
23 have repetitive issues and the statement that I have made,
24 and I think this is what is guiding how we are trying to
25 respond is we try to deal as responsibly and in as timely a

1 manner as we can with allegations that we do a fair
2 assessment of whether or not there are any safety issues
3 involved and the issue then becomes how the allegor is dealt
4 with and dealt with professionally and how the issue is
5 dispositioned.

6 I think if there are allegations made about the
7 performance of any NRC staff that comes from a source in an
8 industry that we regulate, then we have a responsibility to
9 follow up on it, but in a way that is not a witch hunt
10 relative to our own people and that the assessments that are
11 done are fair and fair to our employees and that if an
12 allegation is substantiated, then we will deal with that by
13 our personnel system as appropriate and, if not
14 substantiated, then it is so stated.

15 I don't believe -- and if we are, then we need to
16 change -- that we should be on any witch hunting mode with
17 respect to our own people. I think, though, we all have to
18 recognize, I mean, it is something I deal with in my
19 position, the commissioners deal with and all of us, that
20 people feel in many ways as strongly about nuclear issues as
21 they feel about social issues and you might say, well, you
22 know, we need to be more protective of ourselves. I think
23 if one steps into these kinds of jobs, you have to kind of
24 accept that that is part of the game.

25 What I think is important is how, as I say, we

1 deal with those who bring concerns to us in a professional
2 way, not that we agree, you see, with everything that is
3 alleged but that we deal with it fairly and that we are fair
4 to our own people at the same time. That is all we can
5 really do and that we are timely in our response and
6 consistent. We are definitely on the consistency streak
7 here.

8 Yes.

9 MR. HECK: Question from Region III and this is a
10 subject you touched on earlier.

11 What functions currently being performed by the
12 regions are being considered for either elimination or
13 transfer to headquarters?

14 CHAIRMAN JACKSON: There are no specific decisions
15 with respect to the regions and any transfer of functions.
16 We are looking at our overall oversight programs in the
17 reactor area and in other areas as part of the strategic
18 assessment.

19 That is, in fact, why I invited and asked that our
20 own employees give us their input to the issue papers and
21 the issues contained therein and any options that are
22 positive because that will form an important part of our
23 evaluation process coupled with the studies that are
24 underway relative to our resident inspection program and
25 other aspects of our oversight program. Until all that

1 evidence is in, you know, we are not making any precipitous
2 moves.

3 At the same time, I think we all recognize the
4 importance of the regional operations to our regulatory
5 program. Inspection and enforcement are key elements of how
6 we carry out our program and that we know, to use
7 Commissioner Diaz's term, that the right safety culture
8 exists and so I don't think you need feel that there is some
9 specific action or some specific activity that is going to
10 disappear tomorrow.

11 But I think it is fair to say that we are
12 definitely doing an overall assessment of various elements
13 of our oversight program, just as we are looking at the
14 enforcement area and we are looking at them both as part of
15 strategic assessment but also in terms of lessons learned
16 coming out of the various specific problem areas that we
17 have been dealing with over the course of the last year.

18 MS. SMITH: This is another question from
19 anonymous here at headquarters.

20 Over \$20,000 from the NRC recycling program was
21 donated to the day care center, which also cares for
22 nongovernment employees' offspring. Shouldn't the money
23 from a program that all employees participate in go to
24 something that benefits all NRC employees instead of a self-
25 regulation few?

1 CHAIRMAN JACKSON: I don't think I could really
2 specifically address that one. I will ask Mr. Thompson to
3 look into that.

4 Yes?

5 QUESTION FROM AUDIENCE: Coming back, Chairman
6 Jackson, to soliciting staff comments on the issue papers,
7 there were three issue papers that weren't released for
8 stakeholder comment because, you know, they are regarding
9 internal organizational matters. However, they may not be
10 important to outside stakeholders but they are important to
11 staff.

12 Are there plans to release those at a future point
13 for staff comment?

14 CHAIRMAN JACKSON: Whatever decisions are made
15 that would end up affecting the NRC organization and
16 people's jobs, you know, are definitely going to be
17 discussed and we will have interactions with NRC staff on
18 those particular issues but we have not yet come to any
19 decisions in those regards at this particular time.

20 QUESTION FROM AUDIENCE: I have two questions. I
21 would like to start with one, kind of the devil's advocate.

22 CHAIRMAN JACKSON: Can you speak a little closer
23 to the microphone?

24 QUESTION FROM AUDIENCE: Is this better?

25 CHAIRMAN JACKSON: Yes. Thank you.

1 QUESTION FROM AUDIENCE: I said I have two
2 questions I would like to ask. The first one is kind of a
3 devil's advocate position in what you said in your opening
4 remarks regarding compliance and safety. Don't you agree
5 that there are some regulations which are safety related but
6 are not as important, perhaps, as some others?

7 For example, we may have a requirement for some
8 sort of inspection or report to be done on an annual basis.
9 Whether it is done in 12 months or 13 months may not matter
10 that much.

11 CHAIRMAN JACKSON: Well, I think we do have
12 enforcement discretion properly applied that allows us to
13 have a valve, a gating valve, as appropriate. Having said
14 that, the whole point of having periodicity or having
15 certain time frames is to create regularity or periodicity
16 and if one then starts wandering all over the map, one loses
17 that.

18 You heard Commissioner Diaz speak about the need
19 and necessity to have appropriate tracking systems and part
20 of periodicity relates to that. And, as I say, we do have
21 valving mechanisms to allow us to make adjustments as
22 appropriate.

23 But the issue is not if there is a particular test
24 or whatever it is that we deem to be important and have
25 safety significance, then it is not something that we want

1 to be arbitrary about how it is done. I think that the
2 mechanisms we have in place allow flexibility but the
3 flexibility cannot be all over the board because, in the
4 end, then you can end up with a situation like the Millstone
5 situation.

6 QUESTION FROM AUDIENCE: And my second question
7 is, do you know whether the NRC will be participating in the
8 buyout program?

9 CHAIRMAN JACKSON: I can't speak to that specific
10 personnel issue.

11 Yes?

12 MR. HECK: Another question from Region III.

13 It was Region IV this morning. What happened?
14 Mr. Callum is not here, that's what happened.

15 MR. HECK: We and our licensees seem to be getting
16 hauled into court more and more. Is there anything we can
17 or should do differently?

18 CHAIRMAN JACKSON: Well, one has to be careful
19 about putting things in baskets. If one wants to say we and
20 our licensees get called into court, if you are talking
21 about linked issues that's one thing but if you are talking
22 about the general trend, that is another. What licensees
23 get hauled into court for sometimes relates to us and
24 sometimes it does not relate to us.

25 I think we are trying in our regulatory program,

1 and it is an ever-evolving push to excellence, is to be as
2 clear, as consistent in what our requirements and standards
3 are with respect to our expectations of our licensees, with
4 respect to those standards. That is the kind of situation
5 that keeps us out of trouble. We are also talking about
6 having our licensees live within our requirements until and
7 unless they change.

8 Having said all of that, we also are moving to
9 having risk and safety significance more involved with how
10 we do things. It is very important in doing that that we
11 have the right kind of infrastructure in place within which
12 we make decisions.

13 But, having said all of that, you know, and having
14 greater objectivity, consistency, risk-informed, I have said
15 in response in another context to an earlier question that
16 people feel as strongly about nuclear issues as they feel
17 about some social issues and we do live in a litigious
18 society.

19 MR. CRANE: I am Peter Crane in OGC. I would like
20 to follow up on Dr. Howe's question of a few minutes ago.

21 I understood you to say that when allegations come
22 in from the outside against an NRC staff member that part of
23 the responsibility of public service is that you have to be
24 willing to have those allegations looked at and I doubt
25 anybody would disagree with that.

1 But sometimes what comes in from the licensee
2 crosses the line into abuse and vilification as the folks in
3 the medical section know from hard experience. And letter
4 after letter comes in accusing them of fraud, incompetence,
5 ignorance, mental instability. Letters come in saying
6 people should be sent off for psychiatric care and I think
7 there are people in the staff who would like to know that,
8 apart from the need to look at allegations responsibly, that
9 when staff members are abused by licensees that the
10 Commission will support them against that kind of behavior.

11 CHAIRMAN JACKSON: I think, you know, that is what
12 we try to do and I think perhaps we need to give more
13 attention to that. I think we, again, have to be sure that
14 we have looked at where the safety issue is or is not in
15 something but I think we are not going to have our people
16 vilified.

17 But I think we have to -- it is a careful line
18 that one has to draw to be sure that we are appropriately
19 protecting our staff but also to be sure that we understand
20 that whether or not there is an issue that we have to deal
21 with and I think in my responses to letters that come in to
22 me in that regard that that, in fact, is what we try to do.

23 If you feel that, in fact, we are not sufficiently
24 doing that, then I think we need to look at that. But I
25 want to argue against our developing a siege mentality where

1 we feel that, you know, we are here and we know what we are
2 doing and we are going to circle the wagons. Because, if we
3 are not open, then we are not learning. But I think, at the
4 same time, we want to be sure that our people are not
5 abused.

6 COMMISSIONER MCGAFFIGAN: I might just add that my
7 opinions about medical issues that I expressed earlier have
8 only been reinforced by some of the vilification of staff
9 that comes in on these incoming letters because we treat it
10 for what it's worth, I can tell you, at least this
11 commissioner does.

12 CHAIRMAN JACKSON: I think we all do.

13 Yes.

14 QUESTION FROM AUDIENCE: A question of the
15 Commission.

16 I was just wondering, New Hampshire has a pilot
17 program whereby you can select your energy as you would your
18 long distance carrier and I just wondered what impact you
19 feel this is going to have on the nuclear industry, what
20 impact it would have on our job here and, if you dare,
21 possibly put a time frame on these changes.

22 CHAIRMAN JACKSON: I certainly will not put a time
23 frame on these changes, I would not dare to do that.

24 You heard me say in my opening remarks that this
25 whole restructuring in the electric utility and electric

1 power generation and distribution business is a particular
2 concern to us and a particular concern from the point of
3 view of operational safety in nuclear plants but also from
4 the point of view of a specific responsibility that we have
5 to look out for and that has to do with decommissioning
6 funding.

7 So, in addition to issuing policy statements
8 which, you know, we can issue as many policy statements as
9 the day is long but we are doing certain specific things.
10 Namely, we are focusing on inspection in terms of what
11 effect economic stress might have on operational safety and
12 sensitizing our inspectors to be sensitive to that, being
13 able to document it but particularly looking at it as part
14 of our overall evaluation of plant performance.

15 Secondly, we are specifically strengthening our
16 own abilities to do certain kinds of financial reviews. As
17 these various changes in the industry occur, to look at
18 whether we need to have some concern about the financial
19 capacity of these plants to do what has to be done. We
20 primarily come at it from the operational safety side.

21 And, finally, we are probably moving along the
22 line of some kind of rulemaking in the space having to do
23 with certain reportability requirements but particularly as
24 they relate to decommissioning funding and decommissioning
25 funding assurance itself.

1 You are letting us off early. Are you sure you
2 want to let us go?

3 [Laughter.]

4 CHAIRMAN JACKSON: You're sure?

5 Thank you very much.

6 [Applause.]

7 [Whereupon, at 2:40 p.m., the meeting was
8 concluded.]

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CERTIFICATE

This is to certify that the attached description of a meeting of the U.S. Nuclear Regulatory Commission entitled:

TITLE OF MEETING: ALL EMPLOYEES MEETING ON "THE GREEN"
PLAZA AREA BETWEEN BUILDINGS AT WHITE
FLINT - PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Thursday, October 17, 1996

was held as herein appears, is a true and accurate record of the meeting, and that this is the original transcript thereof taken stenographically by me, thereafter reduced to typewriting by me or under the direction of the court reporting company

Transcriber: Christopher Cutchall

Reporter: Christopher Cutchall