

ORIGINAL

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

**Title:** BRIEFING ON NRC STRATEGIC ASSESSMENT -

**PUBLIC MEETING**

**Location:** Rockville, Maryland

**Date:** Monday, January 13, 1997

**Pages:** 1 - 70

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1                   UNITED STATES OF AMERICA  
2                   NUCLEAR REGULATORY COMMISSION

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4                   BRIEFING ON NRC STRATEGIC ASSESSMENT

5                   \*\*\*

6                   PUBLIC MEETING

7                   \*\*\*

8                   Nuclear Regulatory Commission  
9                   One White Flint North  
10                  11555 Rockville Pike  
11                  Rockville, Maryland

12

13                  Monday, January 13, 1997

14

15                  The Commission met in open session, pursuant to  
16                  notice, at 10:08 a.m., the Honorable SHIRLEY A. JACKSON,  
17                  Chairman of the Commission, presiding.

18

19                  COMMISSIONERS PRESENT:

20                  SHIRLEY A. JACKSON, Chairman of the Commission

21                  KENNETH C. ROGERS, Member of the Commission

22                  GRETA J. DICUS, Member of the Commission

23                  NILS J. DIAZ, Member of the Commission

24                  EDWARD McGAFFIGAN, JR., Member of the Commission

25

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1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:  
2  
3 JOHN C. HOYLE, Secretary  
4 EDWARD JORDAN, Strategic Assessment and  
5 Rebaselining Committee  
6 JOHN CRAIG, Strategic Assessment and Rebaselining  
7 Committee  
8 JACQUELINE SILBER, Strategic Assessment and  
9 Rebaselining Committee  
10 GEORGE PANGBURN, Section Leader Fuel Cycle  
11 Licensing Branch, NMSS  
12 FRANK MIRAGLIA, Acting Director, NRR  
13 THEMIS SPEIS, Deputy Director, RES  
14 STUART RUBIN, Chief Diagnostic Evaluation and  
15 Incident Investigation Branch, AEOD  
16 LAWRENCE CHANDLER, Assistant General Counsel For  
17 Hearings and Enforcement, OGC  
18 JAMES SHEA, Director, Division of Bilateral  
19 Cooperation and Assistance, IP  
20 JESSE FUNCHES, Deputy Controller, CFO  
21  
22  
23  
24  
25

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

2 [10:08 a.m.]

3 CHAIRMAN JACKSON: Good morning, ladies and  
4 gentlemen.

5 Today the Commission will be briefed by the  
6 Strategic Assessment and Rebaselining Steering Committee on  
7 the results of the Nuclear Regulatory Commission interaction  
8 with stakeholders.

9 The Commission has received the Stakeholder  
10 Interaction Report prepared by the Steering Committee. We  
11 requested this briefing in order to discuss the interaction  
12 process and to review the views provided through the  
13 meetings and public comments.

14 The environment, as you know, within which the  
15 Commission operates is changing on many levels. The NRC has  
16 seen indications that changes will occur in its  
17 responsibilities and its budget, in the expectations of our  
18 stakeholders, and in market forces.

19 Against the backdrop of these changes in our  
20 regulatory and fiscal environment, one of my first actions  
21 as Chairman was to initiate this strategic assessment and  
22 rebaselining. It is a Commission level activity. The  
23 process has provided a structure for determining where the  
24 NRC is, where the NRC needs to be in order to respond to  
25 change, and how the NRC will set its direction for the

1       future.

2                     The Steering Committee -- and I would ask you, Mr.  
3     Jordan, to introduce the members at the table -- the  
4     Steering Committee, which will be briefing us today was  
5     drawn from most of the organizations within the agency to  
6     lead this effort. This is an ongoing process and we are  
7     here today to hear about the culmination of the second  
8     phase.

9                     This phase focused on the Commission establishing  
10   preliminary views on the direction of the NRC and  
11   interacting with our stakeholders to gain their input and  
12   ideas concerning these preliminary views.

13                  The Steering Committee issued its Stakeholder  
14   Interaction Report on December 23rd, 1996. We look forward  
15   to hearing from the Steering Committee on the results of the  
16   interaction.

17                  Do any of my fellow Commissioners have any  
18   comments at this time?

19                  If not, then Mr. Jordan, please proceed.

20                  MR. JORDAN: Thank you, Madam Chairman and  
21   Commissioners. The purpose of this briefing, as you stated,  
22   is to report on the progress to date in obtaining and  
23   assessing stakeholders' interactions and public comment on  
24   the Direction Setting Issues.

25                  And I would also, at this point, identify a couple

1 of personnel changes that occurred in the Strategic  
2 Assessment Committee. Jacque Silber and I were assigned in  
3 early January as cochairs of the committee replacing Jim  
4 Mello and Jim Johnson.

5                   And now I'd like to introduce the other  
6 participants. John Craig has managed the support staff in  
7 this entire effort and has done an outstanding job.

8                   I would then go through the individuals that are  
9 going to be providing comments and assessments of the  
10 Direction Setting Issues.

11                  George Pangburn, on my left, is section leader,  
12 Fuel Cycle and Licensing Branch. He'll be discussing DSIs  
13 2, 4, 5, 6, 7, and 9 and will go through those in numerical  
14 sequence, so there will be some shuffling of people at the  
15 table.

16                  Frank Miraglia is acting director of NRR. He'll  
17 be discussing DSIs 10, 11, and 24.

18                  Themis Speis, deputy director, Research, will be  
19 discussing DSIs 12 and 22.

20                  Stuart Rubin, chief of the Diagnostic Evaluation  
21 and Incident Investigation Branch, AEOD, will be discussing  
22 DSIs 13 and 23.

23                  Larry Chandler, Assistant General Counsel for  
24 hearings and enforcement, OGC, will be discussing DSIs 14.

25                  Jim Shea, director, Division of Bilateral

1 Cooperation and Assistance, International Programs, will be  
2 discussing DSIs 20.

3 And Jesse Funches, deputy controller, deputy CFO,  
4 will be discussing DSIs 21.

5 These people, plus others of the Strategic  
6 Assessment Committee and staff, were intimately involved in  
7 preparing DSIs, in meeting with the stakeholders, and in  
8 assessing comments, and so there is a broader involvement  
9 than the people we've already recognized.

10 I would also take the opportunity to recognize  
11 Chip Cameron's role in facilitating interactions with  
12 stakeholders. This was a very open process and Chip  
13 facilitated not only the stakeholders but the staff in  
14 having those interactions.

15 CHAIRMAN JACKSON: And I would like to take this  
16 time to publicly commend him. I've heard nothing but good  
17 reports about his activities and how he's moved this along.

18 MR. JORDAN: At this point then, I'll turn to John  
19 Craig and ask him to provide a discussion of the process.

20 MR. CRAIG: Good morning.

21 I think the first topic I'd like to highlight as  
22 we get the back-up slides for stakeholder interactions, the  
23 first one up, is that the term "stakeholder" was an  
24 interesting one. It seems intuitively obvious, I think, but  
25 it turns out it's not.

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1 [Slide.]

2 MR. CRAIG: We used the term in a matter of days  
3 as if we were familiar with it and we referred to internal  
4 stakeholders as people with NRC badges and external  
5 stakeholders as people without NRC badges, the public,  
6 industry and others.

7 And one of the public interest groups said they  
8 didn't want to participate in the stakeholders' meeting  
9 because they thought that connoted an endorsement. They  
10 didn't want to get that close. So there were some differing  
11 opinions, I guess, in terms of what stakeholders meant.

12 The stakeholder interaction process kicked off in  
13 mid-September 1996. We worked with the public strategies  
14 group to help us lay out a process to interact with internal  
15 and external stakeholders.

16 For internal stakeholders, the thought was that  
17 we'd utilize the normal lines of communication, and for  
18 external stakeholders, we would make information available,  
19 issue invitations to let them know what information they had  
20 available, let them know about the meetings and that we were  
21 requesting comments. The press release that went out and  
22 the documents that were distributed in mid September did  
23 that.

24 The documents that we issued to the public  
25 included a framework document which was a parallel, I think,

1 of the strategic plan. It talked about DSIs and overarching  
2 issues and it grouped the DSIs in several groupings.

3 We also had something we referred to as a process  
4 paper, and it told all stakeholders, internal and external  
5 stakeholders, how to get copies of the issue papers, how to  
6 provide comments.

7 We issued agency-wide announcements and we had an  
8 initial mailing in September that was basically the mailing  
9 that we used as part of NPR, and it had about 80 broad  
10 groups in it, and the mailings, not only these but the  
11 subsequent ones, hit public interest groups, citizen groups,  
12 state agencies, industry groups. So it's a very broad reach  
13 of notification.

14 We also made presentations in September at the  
15 annual Agreement State Regulators Conference to explain the  
16 stakeholder process. And indeed we explained the strategic  
17 assessment and rebaselining initiative, the purpose, and  
18 tried to make clear the relationship between their comments  
19 on the issue papers and the importance of the comments in  
20 the Commission's deliberations and final decisions on the  
21 DSIs since they would be reflected in the strategic plan.

22 In early October, we also conducted meetings with  
23 managers here in the White Flint complex and had the same  
24 essential presentation. And they then followed up with  
25 their staffs, with internal meetings and discussions, to

1 emphasize the availability of the issue papers and to  
2 request comments.

3 Go to the next slide, please.

4 [Slide.]

5 MR. CRAIG: Also, in early October, we split the  
6 Steering Committee up into teams and made trips to four  
7 regional offices to go over the purpose of the strategic  
8 assessment initiative, as well as each one of the DSIs and  
9 to discuss them with regional staffs.

10 We briefed the agency partnerships, the ACRS. We  
11 had three mailings. The total of the mailings were about  
12 1650, including the initial three phases.

13 Before each one of the stakeholder conferences,  
14 about a week in advance, we issued press releases in the  
15 geographic areas around Washington, Chicago, and Colorado  
16 Springs, so once again, to let the stakeholders in those  
17 areas know and remind them that the meetings were there and  
18 to solicit their attendance.

19 We had three stakeholder meetings, as I said. The  
20 first one was in Washington. The second one in Colorado  
21 Springs, the third in Chicago. During the process, we had  
22 requests for an extension of public comment period. As you  
23 know, it was extended and it ended December the 2nd.

24 The Stakeholder Interaction Report includes  
25 comments that were dated, I believe, December the 12th. It

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1 actually includes comments that we received approximately  
2 December the 19th. We have two additional comments that  
3 have been forwarded to the Commission -- one from a private  
4 citizen, one from EPA -- and George is going to talk about  
5 the comments we received from EPA.

6                 The copies of the Stakeholder Interaction Report  
7 are being made available to the public this week. They're  
8 going to go up on the Internet, Fed World. They're going to  
9 be available to NRC employees through the auto system.  
10 They're also going to be available in the PDR. The issue  
11 papers themselves, transcripts from the public meetings, as  
12 well as copies of the written comments are also going to be  
13 available through the same mechanisms.

14                 MR. JORDAN: We'll cycle through all the DSIs in  
15 numerical order and we would offer you the opportunity as we  
16 go to ask questions and make comments on each one, and then  
17 we'll have an opportunity for comments when we're all done.

18                 CHAIRMAN JACKSON: But you're going to march along  
19 pretty fast?

20                 MR. JORDAN: We're going to march along pretty  
21 fast. And so we're limited to five minutes or less per  
22 item. I'm sure some will get a little more and some a  
23 little less.

24                 COMMISSIONER ROGERS: Excuse me. I wonder if at  
25 some point you could give us an indication of how many

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1 individual commenters there were on each of the DSIs. In  
2 other words, I'm sure the numbers vary quite a bit depending  
3 on the DSI, just to get some feeling about --

4 CHAIRMAN JACKSON: Will the people who are  
5 discussing them, can they just mention that?

6 MR. JORDAN: We'll ask them to mention it, and if  
7 not, we'll provide that subsequently.

8 CHAIRMAN JACKSON: Sure.

9 MR. JORDAN: And so --

10 MR. CRAIG: I'll just note, in the Stakeholder  
11 Interaction Report itself, at the end of each DSI, there's a  
12 listing of the commenters. There's a feel there, and I'll  
13 add, because people have asked me how many commenters were  
14 there, some organizations commented in writing and verbally  
15 at each one of the meetings and then sent in comments. So  
16 the number is a rough number. Any number you hear will be a  
17 rough number, just due to the duplication.

18 CHAIRMAN JACKSON: And were there many comments  
19 that came off of the Internet? I think you had put --

20 MR. CRAIG: There were a small number. Most of  
21 the ones were received at the stakeholder conference or  
22 mailed directly to the Secretary. A small number came in  
23 off the Internet.

24 MR. JORDAN: George, would you begin with your DSI  
25 item number 2.

1                   MR. PANGBURN: First slide, please.

2                   [Slide.]

3                   MR. PANGBURN: DSI 2 deals with the issue of  
4                  should NRC seek to expand its authority and responsibility  
5                  to include DOE facilities.

6                   Next slide, please.

7                   [Slide.]

8                   MR. PANGBURN: The Commission's preliminary views  
9                  on this DSI contained three basic points: that NRC would  
10                 not take a position on accepting broad responsibility for  
11                 regulation of DOE facilities and would neither encourage nor  
12                 oppose legislation giving broader authority; that given  
13                 adequate resources and a reasonable time period, that NRC  
14                 could provide adequate regulatory oversight of DOE if asked;  
15                 and that if NRC were to be given oversight responsibility,  
16                 the Commission would prefer that it be done in an  
17                 incremental fashion and that some type of prioritization  
18                 methodology be used to determine the types of facilities  
19                 that, if subject to oversight, would provide the greatest  
20                 potential benefit to health and safety.

21                   Next slide, please.

22                   [Slide.]

23                   MR. PANGBURN: In terms of comments that we  
24                 received on this particular DSI, there were 37 written  
25                 comments and 21 commenters spoke at the stakeholder meetings

1 around the country.

2           Most of the commenters felt that NRC should take a  
3 position regarding regulation of the Department of Energy  
4 and did not support the Commission's preliminary view on  
5 this particular issue.

6           Several commenters strongly encouraged the  
7 Commission to aggressively pursue external regulation of DOE  
8 under Option 1B, which would divide regulatory  
9 responsibility for DOE among the federal and state agencies  
10 in the same way it now occurs for commercial facilities.

11          With respect to the initial bullet on this page,  
12 the breadth of that comment was very strong. We received it  
13 from CRCPD, the Conference of Radiation Control Program  
14 Directors, the Organization of Agreement States, the United  
15 States Enrichment Corporation, as well as a number of  
16 individual states, and --

17           COMMISSIONER McGAFFIGAN: Could I ask a clarifying  
18 question?

19          When you say commercial facilities, do you mean  
20 commercial reactor facilities or what --

21           MR. PANGBURN: Commercial facilities, reactor and  
22 non-reactor.

23           COMMISSIONER McGAFFIGAN: Most of the non-reactor  
24 are fairly unique facilities. Would the state -- thinking  
25 of New Mexico, would the state really be up to trying to

1 regulate the facilities at Sandia and Los Alamos, the non-  
2 reactor facilities, as we would an Agreement State?

3 MR. PANGBURN: Certainly some of the states  
4 offered that view. And I think what we're looking at here  
5 is that we have the same general breakout of  
6 responsibilities that currently exist, namely, that NRC  
7 would regulate radiation safety and that EPA would regulate  
8 general environmental. To the extent that states are  
9 Agreement States, would regulate that particular aspect of  
10 it.

11 COMMISSIONER McGAFFIGAN: Would we have to go  
12 through, if we followed this option, renegotiating with the  
13 states what the states with significant DOE facilities --  
14 Colorado, New Mexico, Washington, et cetera, you know --  
15 what they controlled and what we controlled?

16 MR. PANGBURN: I believe that would be the case.  
17 It would probably have to be done on a state-by-state basis.

18 CHAIRMAN JACKSON: I think it would depend, would  
19 it not, Commissioner, on, one, what the overarching  
20 legislation had to say, and secondly, within that context,  
21 what historical precedent had to say, and third, what  
22 capability had to say.

23 COMMISSIONER McGAFFIGAN: Right.

24 CHAIRMAN JACKSON: And probably then be, as you  
25 pointed out, within all of those things to negotiate it on a

1 state by -- on a facility-specific basis.

2 MR. PANGBURN: As John mentioned, we received  
3 comments late from EPA. Those comments were sent to us  
4 electronically. We don't have a formal hard copy signed  
5 out, but EPA indicated in their comments that they supported  
6 NRC regulation of safety and EPA regulation of environmental  
7 hazards, which, as I read it, is an encouragement of Option  
8 1B, namely, the same existing, as opposed to the breakout  
9 that was provided in the Advisory Committee's report, which  
10 would have split up responsibility between NRC and OSHA, for  
11 example, under the facility safety and occupational safety.

12 CHAIRMAN JACKSON: And I think both we and EPA, as  
13 I recall, have operated with MOUs with OSHA as appropriate  
14 involving worker safety.

15 MR. PANGBURN: The next slide, please.

16 [Slide.]

17 MR. PANGBURN: This is DS1 number 4. The issue  
18 is, what should the NRC's strategy regarding states becoming  
19 and remaining Agreement States?

20 The next slide, please.

21 [Slide.]

22 MR. PANGBURN: The preliminary views of the  
23 Commission on DS1 4 were focused on Option 3, which was to  
24 continue the current program, including adopting current  
25 initiatives. In addition, to encourage more states to

1       become and remain Agreement States, primarily through non-  
2       monetary incentives; to explore providing seed money and/or  
3       financial grants to encourage states to seek status; to  
4       provide training to Agreement States without charge on a  
5       space-available basis. Funding for travel and technical  
6       assistance, however, would be borne by the Agreement States.

7                  The next slide.

8                  [Slide.]

9                  MR. PANGBURN: Significant comments on DSI 4. We  
10         received 48 written comments and 19 oral comments at the  
11         stakeholder meetings. There was general support for the  
12         Commission's preliminary view, that is, Option 3. However,  
13         the Agreement States and some other commenters felt very  
14         strongly that NRC should reinstate funding of Agreement  
15         State training, travel, and technical assistance.

16                  Although some licensees opposed reinstatement of  
17         funding, this opposition was limited. Commenters considered  
18         that a significant benefit of NRC-sponsored training is  
19         enhanced consistency and compatibility and suggested that  
20         NRC reinstate funding to support this end.

21                  If I may, EPA's views on this, as you recall,  
22         there were five options in the paper, the first of which was  
23         to turn the program over to EPA. EPA noted that that was  
24         their preferred option, assuming that they receive the  
25         resources to do the job.

1                   Option 2, to strongly encourage states to become  
2 Agreement States, EPA had no view on.

3                   Option 3, the Commission's preferred view, EPA  
4 felt was their second choice.

5                   EPA had no views on Option 4, which is to treat  
6 Agreement States as coregulators.

7                   And finally, on Option 5, which is to devolve AEA  
8 material regulation to the states and withdraw the federal  
9 preemption, EPA had major concerns about this option given  
10 that their rescission of subpart "i" was based on NRC's  
11 program of protection of public health and safety.

12                  CHAIRMAN JACKSON: Let me ask, were there any  
13 comments on innovative options for providing training, say,  
14 using information, technology, and was there any discussion  
15 relative to -- as far as the travel part based on a tiering  
16 approach where some feel there is some differential ability  
17 of states to pay for training, travel, and technical  
18 assistance where some states, in fact, collect in excess of  
19 their cost, and others, either because of legislation or  
20 structurally, have less ability? Was there any discussion  
21 about some kind of tiering that reflects that differential  
22 ability?

23                  MR. PANGBURN: I don't recall anything specific to  
24 the question that you posed. Certainly the states offered  
25 the notion that they might be able to reimburse NRC in kind

1 by providing services, namely, to do inspections of NRC  
2 facilities located within their borders as a way of making  
3 up for resources.

4 I might ask, Cardelia, can you speak to the  
5 Chairman's question?

6 MS. MAUPIN: Concerning that question, some states  
7 like New Mexico stated that most of their funding went into  
8 one general fund, so they were not able to get funding  
9 directly for training for their staff because of the  
10 competition there. So the smaller states really have a  
11 problem in terms of getting those monies.

12 In addition, some state people have to take their  
13 own annual leave to come to NRC training courses.

14 CHAIRMAN JACKSON: When I spoke of tiering,  
15 though, that approach is meant to address the issue that  
16 there is a differential ability of the regulators in certain  
17 states to pay, including to what extent they have control  
18 over the funds, as well as what the working conditions are  
19 in terms of their coming to courses.

20 But there was no specific targeted discussion?

21 MS. MAUPIN: No.

22 CHAIRMAN JACKSON: Okay.

23 MR. JORDAN: I was very interested in the area, as  
24 you might imagine, from my role in AEOD and training, and I  
25 did not see a clear recommendation that would, in fact,

1 parse those out in any organized way. It is a very  
2 difficult situation.

3 CHAIRMAN JACKSON: Okay.

4 MR. PANGBURN: Hearing no comments, I'll move to  
5 the next DSI, which is DSI 5, what should be the role and  
6 scope of the NRC's low-level radioactive waste program.

7 The Commission's preliminary views on this DSI  
8 supported Option 2, which was to assume a strong regulatory  
9 role in the national low-level waste program that would  
10 encompass all the activities that were performed before  
11 recent reductions in the low-level waste program.

12 Next slide, please.

13 [Slide.]

14 MR. PANGBURN: We received 49 written comments and  
15 19 oral comments on this DSI. I would note that there was  
16 not a clear consensus regarding the preliminary views, that  
17 low-level waste generators, including NEI, CORAR, and some  
18 individual licensees and some Agreement and non-Agreement  
19 States favored the Commission's preliminary view, as did the  
20 Advisory Committee on nuclear waste.

21 However, many Agreement State commenters opposed  
22 the Commission's preliminary views that the current low-  
23 level waste program be expanded. Agreement State commenters  
24 preferred an option that was somewhere between Option 3 of  
25 continuing the current program and Option 4, to recognize

1 progress and reduce the program.

2 CHAIRMAN JACKSON: And when you say continue the  
3 current program, that current program does reflect the  
4 recent reduction?

5 MR. PANGBURN: That's correct.

6 CHAIRMAN JACKSON: So when they say between that  
7 one and Option 4, recognize progress and reduce program,  
8 they mean reduce it further beyond the reductions that have  
9 already occurred?

10 MR. PANGBURN: That's accurate, yes.

11 COMMISSIONER DICUS: What was the position of the  
12 host states?

13 MR. PANGBURN: The host states --

14 COMMISSIONER DICUS: Did they have a comment  
15 position?

16 MR. PANGBURN: My recollection, as far as this  
17 first view, namely, to support the Commission view, was that  
18 New Jersey and California supported that, but that other  
19 states that have ongoing programs supported the majority of  
20 the Agreement State views captured under the second bullet.

21 EPA's views on this were that they opposed the  
22 first -- the Commission's first option, namely, assuring a  
23 leadership role. They felt that it was inconsistent with  
24 NRC's role as an independent regulator. They had no  
25 comments on Options 2 through 4.

1                   Option 5, which was to transfer the entire program  
2                   to EPA, was, once again, their favored view, assuming they  
3                   received adequate resources. And Option 6, assured storage,  
4                   was not something that EPA supported, but rather that they  
5                   preferred disposal.

6                   I'll move to DSI 6, then. This DSI deals with the  
7                   question of, in recognition of current uncertainties, how  
8                   should NRC approach the present high-level waste situation?

9                   [Slide.]

10                  MR. PANGBURN: The next slide contains the  
11                  Commission's preliminary views, which were that NRC should  
12                  maintain the existing program. But the Commission noted  
13                  that it would like to explore taking a more active role in  
14                  resolving issues in the high-level waste program consistent  
15                  with NRC's mission.

16                  If I could turn to the next slide.

17                  [Slide.]

18                  MR. PANGBURN: The comments in this particular  
19                  DSI, we received 41 written comments and 15 comments from  
20                  oral presenters at the stakeholder meetings. Support for  
21                  the preliminary view as stated was limited, with most  
22                  commenters calling for some modification of the preliminary  
23                  view, that is, possible -- a combination of parts of other  
24                  option or options.

25                  Overall, the commenters were divided in support of

1       their option. For example, the Organization of Agreement  
2       States didn't have a consensus view, but the states appear  
3       to be split between Options 2, 3, and 5.

4                  Significantly, the Department of Energy, the State  
5       of Nevada, Clark County, some Agreement States, and the  
6       Nevada Nuclear Waste Task Force supported the Commission's  
7       preliminary view.

8                  With respect to EPA's view, they had no comments  
9       on the preliminary view, but had several comments on Options  
10      1 and 2, no comments on Options 4 and 5. Those comments  
11      were in the nature of clarifications, not in expressed  
12      support one way or another.

13                 CHAIRMAN JACKSON: Okay.

14                 MR. PANGBURN: DSI 7 addresses what should be the  
15       future role and scope of NRC's materials program, and in  
16       particular, NRC's regulation of the medical use of nuclear  
17       material?

18                 [Slide.]

19                 MR. PANGBURN: The next slide shows the  
20       Commission's preliminary views which included a combination  
21       of Option 2, continue the current program, ongoing program,  
22       with improvements, and decrease oversight of low-risk  
23       activities with continued emphasis on high-risk activities.

24                 Specifically in implementing Option 3, NRC would  
25       utilize the risk-informed, performance-based approach to

1 determine which activities in the materials area, and  
2 specifically medical area, are low-risk activities.

3 Next slide, please.

4 [Slide.]

5 MR. PANGBURN: Most commenters supported the  
6 Commission's preliminary views, and in particular, several  
7 licensee and professional organizations changed their  
8 positions from an earlier endorsement of the National  
9 Academy of Sciences' recommendation, which was to devolve  
10 the medical program to the states. The breadth of this view  
11 on support of the Commission's preliminary view was  
12 substantial. It was -- included Agreement States,  
13 professional societies, and individual licensees.

14 Commenters also strongly supported, and as we  
15 noted to you in the transmittal of this document, strongly  
16 supported a single federal agency being responsible for  
17 regulation of all radiation sources, including NARM.

18 There are several points here. First, the breadth  
19 of this view, again, the states, OAS, CRCPD, American  
20 College of Nuclear Physicians, Society for Nuclear Medicine,  
21 NEI, Mallinckrodt and others, supported this.

22 Now, there were different views on what the nature  
23 of that federal role should be. In some cases, it was a  
24 more traditional role that focuses on the program that we  
25 currently have of regulation at the federal level and at the

1 state level. In some cases, it was limited to simply  
2 standard setting and allowing the states to implement  
3 programs as they saw fit.

4 It was very clear that the federal agency that  
5 should undertake this should be NRC, and it was equally  
6 clear that it should not be EPA. That was a strong view in  
7 all the public meetings that we were in, as well as in  
8 written comments, and that should we proceed in this regard,  
9 that we should take into account the fact that States'  
10 knowledge and expertise could lessen the resource  
11 requirements and possibly make this option more palatable to  
12 the Commission.

13 EPA's views on this. They had no comment on the  
14 first option, which was to take on additional regulatory  
15 responsibility on NARM, X-ray and accelerator materials.  
16 They supported Option 2, which was to continue the current  
17 program with improvements since that program is the basis  
18 for rescission, again, subpart "i".

19 They agreed that Option 3, which was part of the  
20 Commission's preliminary view and involved decreasing  
21 oversight of low-risk activities, was reasonable, but care  
22 needs to be taken. That point was also made by a number of  
23 states and individual licensees that, in moving towards  
24 removing controls, it had to be done carefully and in close  
25 coordination with the states.

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1               Options 4 and 5, however, discontinuing the  
2 medical program, except for oversight of devices and  
3 discontinuing the entire materials program were major  
4 concerns to EPA, once again, because of the rescission of  
5 subpart "i" and EPA felt that if that option was selected  
6 and EPA was not the regulator of materials licensees, that  
7 some other vehicle might be needed to assure public health  
8 and safety as a result of emissions from materials  
9 licensees.

10              COMMISSIONER ROGERS: Could you give us the  
11 numbers of comments on that?

12              MR. PANGBURN: 42 written comments on this one and  
13 16 oral comments at the stakeholder meetings.

14              DSI 9 deals with what should be NRC's strategy to  
15 take advantage of new and different approaches to optimize  
16 site remediation at the site decommissioning management plan  
17 or SDMP and other problem sites.

18              On the next page, we have the Commission's  
19 preliminary views. This particular preliminary view used  
20 part of four options, namely, to change the decommissioning  
21 review process, focus on those cases in which progress can  
22 be made, and transfer stalled sites to EPA, to take an  
23 aggressive position to develop regulatory frameworks for  
24 lower cost decommissioning waste disposal, and to develop a  
25 strong litigation strategy.

1           In addition, the Commission indicated Option 2  
2       should be tested on a pilot scale for a few selected  
3       materials licensees. Program participants should be  
4       volunteers.

5           With respect to Option 6, the staff should also  
6       examine the level of risk associated with each site and  
7       focus on better progress in making determinations on  
8       disposition of sites.

9           Determinations on whether to send to EPA's  
10      Superfund program a stalled site, high-risk site or a low-  
11      risk site should be made on a case-by-case basis.

12           And finally, that the implementation process for  
13      Option 6 should not preclude the Commission from reviewing  
14      the low-risk stalled site if conditions warrant, nor should  
15      the process automatically send the site to the EPA's  
16      Superfund program.

17           Next slide, please.

18           [Slide.]

19           MR. PANGBURN: We received 35 written comments on  
20      this and 15 oral comments in stakeholder meetings. There  
21      was broad support for the options identified in the  
22      Commission's preliminary view and for taking serious steps  
23      to reduce the burden and intrusiveness of regulations. Most  
24      commenters called for close coordination with them in any  
25      systematic review of and revisions to the regulations.

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1           With respect to EPA, they had no comments on  
2 Options 2, 7, 8, and 9, which encompassed most of the  
3 Commission's preliminary view.

4           The current program, Option 1, they felt was  
5 acceptable. They strongly opposed Option 3, which had to do  
6 with using alternative scenarios and criteria for  
7 decommissioning.

8           Option 5 was acceptable as long as resources were  
9 provided, and Option 6, which was part of the Commission's  
10 preliminary view involving transfer of stalled sites to EPA  
11 they felt was a piecemeal approach and that, if NRC could  
12 not assure cleanup of problem sites, they should give the  
13 entire program to EPA.

14           CHAIRMAN JACKSON: Are you done?

15           MR. PANGBURN: Yes.

16           CHAIRMAN JACKSON: Any comments on these options  
17 that -- these DSIs? The figures on the number of comments?

18           MR. PANGBURN: For DSI 9?

19           CHAIRMAN JACKSON: 9.

20           35 written and 15 oral?

21           MR. PANGBURN: Yes, 35 and 15.

22           CHAIRMAN JACKSON: Okay. Thank you.

23           MR. JORDAN: Next is Frank Miraglia with DSIs 10  
24 and 11.

25           MR. MIRAGLIA: Moving on to DSI 10, as stated, is:

1        Given the current environment, what should the Commission's  
2        policy be on future reactors?

3                [Slide.]

4                MR. MIRAGLIA: The next slide indicates the  
5        Commission's preliminary views. The Commission recognized  
6        the economic decisions by license applications will be  
7        determined by the level of support, that we should continue  
8        to give priority for reviewing standard and advanced reactor  
9        designs, early site approvals, and licensing for new reactor  
10      applicants.

11               In addition, the preliminary guidance from the  
12      Commission indicated that the staff should develop  
13      implementation guidance that would address the maintenance  
14      of the utility requirements documents that had been  
15      developed through first-of-a-kind engineering, address an  
16      orderly closeout of the work performed, for example, a  
17      simplified boil and water reactor and the MHTGR, and then  
18      evaluate the design certification process for lessons  
19      learned.

20               [Slide.]

21               MR. MIRAGLIA: The next slide indicates the number  
22      of comments. There were 19 written comments and 13 oral  
23      comments at the three stakeholder meetings. Several  
24      commenters supported the elements of Option 2 and the  
25      Commission's preliminary views with some modification.

1           The comments with respect to being more specific  
2       as to the types of issues that should be addressed and the  
3       focus that should be given to testing the next two phases of  
4       part 52, namely, the siting and the COL phase, there was a  
5       level of interest expressed primarily by the industry in  
6       that regard.

7           There were some comments that endorsed Option 3.  
8       And Option 3, if the Commission would recall, is to refocus,  
9       given that there is no applications on the horizons, to  
10      reallocating, and so there were a number of comments in that  
11      regard.

12           CHAIRMAN JACKSON: What was the breadth of the  
13      support for these different views?

14           MR. MIRAGLIA: I would say from the three meetings  
15      and the comments, that the industry supports continued focus  
16      and application of resources to these new designs, to the  
17      point of, at one point, ranging from a comment that the  
18      economic -- or the viability of the nuclear option, one  
19      needs to demonstrate the part 52 process in its entirety, so  
20      there is a group within the utilities and the nuclear  
21      industry that has that as a view.

22           Clear recognition, as was recognized in the  
23      previous reports to the Commission on this particular issue,  
24      that this has implications for offshore sales and the  
25      economic variability of the nuclear structure within the

1 U.S. by maintaining that kind of technology. So it would  
2 range from there, and the public view would be that -- would  
3 be on the other extreme. But I would say there was support  
4 for some continued focus.

5 The question of applications and who would support  
6 applications in this area was discussed and indicated that  
7 funding in that would probably be minimal, but that there  
8 should be some continued focus.

9 Given the Commission's position, and I responded  
10 to some of those concerns in saying, if applications were  
11 put before us, given this preliminary view, that they would  
12 be assigned priority commensurate with the applications  
13 before us and other ongoing activities.

14 COMMISSIONER ROGERS: Is there anything much said  
15 on the utilities requirements document? That's something we  
16 focused on a bit.

17 MR. MIRAGLIA: There was one comment that I  
18 recall, Commissioner Rogers, that indicated that it would  
19 have to be done and looked at as to what the future need  
20 would be and that type of thing. We just recognized that it  
21 was there. It may be worth doing, but someone would have to  
22 forward that effort.

23 Moving on to DSI 11, which is: Given the changes  
24 in the external/internal environment, what are the  
25 implications for the current strategies for the operating

1 reactor oversight program?

2 There were three options in that DSI. Option 1 is  
3 essentially continuing the comprehensive program and  
4 examining -- systematic examination for improvements and  
5 lessons learned.

6 Option 2 was to further encourage industry to  
7 develop generic guidelines that we can endorse, provide  
8 increased opportunities for public involvement, use  
9 technology to improve efficiencies of our processes, and to  
10 examine some effectiveness in how we staff multiple-unit  
11 sites, and to improve the understanding and effectiveness of  
12 our performance program, assessment program.

13 Option 3 was to utilize the work re-engineering  
14 processes to further identify improvements within the  
15 program, come back to the Commission for approval for those  
16 areas of review, and we should look at best practices from  
17 regulatory agencies, foreign and domestic, nuclear and non-  
18 nuclear.

19 In terms of comments received, and again, in terms  
20 of numbers, there were 26 written comments, 13 oral at the  
21 meetings.

22 One commentor, at least for this paper, directed  
23 right at the issue, shared that there's a public perception  
24 of trying to reduce the risk. That has a negative  
25 perception from the point of view of the public and if it's

1       done setting regulations, and it all looks towards reducing  
2       risk that has a negative connotation.

3                 That theme or that question came up, I guess,  
4       looking at risk-informed that has to be done in a balanced  
5       way. I think that's really the essence of that comment.

6                 There was a lot of support for Option 3 --

7                 CHAIRMAN JACKSON: That reducing risk has a  
8       negative --

9                 MR. MIRAGLIA: No. That increasing cooperation  
10      with the industry in that process could have the perception  
11      of only looking at it in one direction.

12                 But another outcome of the process is to increase  
13      some of the burden in the regulatory process with respect to  
14      how we interact with industry in that kind of process, and  
15      that comes up in some of the other DSIs and the role of  
16      industry and the like. We stated that we have to do it in a  
17      balanced, public, open kind of way.

18                 CHAIRMAN JACKSON: So you're saying that this  
19      comment then related specifically to the Commission's move  
20      toward risk-informed, or you're saying it permeated things  
21      more broadly than that?

22                 MR. MIRAGLIA: It was with respect to not with  
23      risk-informed, but as to working in a cooperative way with  
24      industry to reduce regulatory burdens from a risk  
25      perspective. That's -- it was the industry involvement that

1 created that kind of concern.

2 It was commenters that supported Option 3 to  
3 varying degrees, indicating that that was resource  
4 intensive; however, for certain areas, that that might be a  
5 very productive thing to do and to look at business process  
6 re-engineering.

7 There was a suggestion that we look at the role of  
8 resident and effectiveness of the resident inspector program  
9 within the context of that program.

10 In addition, there was comments regarding  
11 effectiveness of our enforcement policy that should have  
12 been discussed within the context of that program.

13 COMMISSIONER MCGAFFIGAN: Could I ask, the DSI we  
14 just discussed and the next three are among the more  
15 resource intensive of the DSIs. Was there any sense among  
16 the commenters of limits or where, if we were going to need  
17 to -- there are also -- many of the commenters presumably  
18 are bill payers. Were they comfortable with spending  
19 additional resources -- and maybe this is a question for the  
20 next three papers as well -- to pursue these preliminary  
21 views?

22 MR. MIRAGLIA: I think there were concerns  
23 throughout the conference on many of the DSIs about the  
24 cost. I think the perception that -- I'll give you my  
25 perception and an overview assessment of the comments.

1           The industry and the feepayers, be they reactors  
2    or materials, feel that this risk-informed approach, where  
3    it would lead to less burden and commensurate with risk, has  
4    a benefit.

5           And I think a simple way of expressing it is, it's  
6    worth that increased cost to develop that because the  
7    paybacks over the longer term may be beneficial. I think  
8    that would be a broad overview.

9           Perhaps Themis can speak to that to some degree  
10   when he talks about the risk-informed. But I think that  
11   would be a simplistic or simplified overview of how they  
12   looked at that. It's something that needs to be done. It  
13   has up-front costs and -- but the benefit would be coming in  
14   the future with regulations that are more risk-informed.

15           MR. SPEIS: The next DSI deals with risk-informed,  
16   performance-based regulation. The DSI states: What  
17   criteria should NRC use in expanding the scope in applying a  
18   risk-informed, performance-based approach to rulemaking,  
19   licensing, inspection, and enforcement?

20           The next DSI summarizes the Commission's  
21   preliminary views. Higher risk activities should be the  
22   primary focus of agency efforts and resources, which can be  
23   accomplished by building up the PRA concepts to the extent  
24   they're applicable.

25           Staff should continue the current efforts, which

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1       is Option 1, on the pilot programs and continue to evaluate  
2       the performance data from operational experience as it  
3       becomes available.

4                 These activities as they're scheduled are  
5       presently captured in the PRA implementation plan.

6                 Staff -- in addition to Option 1, the Commission's  
7       views were that the staff should proceed in the direction of  
8       enhancing the PRA implementation plan. This is kind of  
9       moving cautiously towards implementing elements of Option 3.

10               And on the next viewgraph, staff should perform a  
11       thorough review of the basis for nuclear materials  
12       regulations and processes to identify and prioritize those  
13       areas that may be amenable to a risk-informed, performance-  
14       based approach. This assessment should lead to a framework  
15       similar to that that we have developed for commercial  
16       reactors.

17               There was also another point which is not listed  
18       in the viewgraph, that the staff should evaluate and clarify  
19       any technical and/or administrative issues associated with  
20       performance-based approaches during regulation such as  
21       inspection activities and enforcement.

22               And the next viewgraph summarizes the significant  
23       comments -- the more significant comments. There were 49  
24       written comments and 23 oral comments, and of course there's  
25       some overlap between them, as John mentioned earlier.

1           The majority of the comments were implementation  
2 type of comments. I don't see that any comments would  
3 affect the Commission's preliminary views.

4           Almost all commenters supported the Commission's  
5 view that, in general, the NRC should focus on higher risk  
6 activities and, consequently, most commenters supported a  
7 transition towards more risk-informed, performance-based  
8 regulatory approaches.

9           But although most commenters supported the concept  
10 of risk-informed, performance-based regulation, there was  
11 not, in general, agreement on the approach. And we tried to  
12 summarize all the comments into four categories. These  
13 categories are the following.

14           I want to make sure that we recognize and  
15 understand the distinction between risk-informed and  
16 performance-based. For example, some commenters used this  
17 distinction to urge caution in moving towards performance-  
18 based aspects of risk-informed, performance-based  
19 regulation. Others urged us to pursue more aggressively the  
20 risk-informed part, for example, in our inspection  
21 activities.

22           The next category of comments I listed,  
23 demonstrating a commitment to change the regulatory  
24 environment and to establish a new strategic direction.  
25 There are many issues that the Commission will have to

1 decide, for example, one of them being if PRA is to be  
2 useful, the NRC and the industry must decide or reach an  
3 agreement on what areas they are able to be applied on.

4                 The other one, I put them under fostering public  
5 confidence and ensuring public understanding of the process.  
6 For example, some suggested that a transition to a risk-  
7 informed, performance-based regulation could be seen by the  
8 public as a relaxation of our current regulations or  
9 requirements, and possibly this would decrease the public's  
10 perception of NRC's credibility.

11                 And finally, the other category, they urged the  
12 Commission to establish an objective standard for protection  
13 of public health and safety, for example, set an objective  
14 standard for what is adequate health and safety. That's a  
15 good one for the lawyers.

16                 Also, they want us, especially the industry, to  
17 start using the safety goals.

18                 So basically, these are some of the most important  
19 components.

20                 MR. JORDAN: Comments? Okay, Stu.

21                 MR. RUBIN: Good morning. My name is Stu Rubin.  
22 The first DSI I discuss is DSI 13, the role of industry.

23                 [Slide.]

24                 MR. RUBIN: As shown on the next slide, the DSI  
25 asks the question: In performing its regulatory

1 responsibilities, what consideration should the NRC give to  
2 industry activities?

3 Next slide, please.

4 [Slide.]

5 MR. RUBIN: The issue paper included five  
6 different options or strategies for interacting with  
7 industry as shown in the slide. The Commission in its  
8 preliminary views had a preference for two of those options  
9 and indicated some limited interest in a third.

10 Regarding the preferred options, the Commission  
11 stated that the staff should move forward as rapidly as  
12 possible within our budget to evaluate on a case-by-case  
13 basis current and any future proposed initiatives that would  
14 further the NRC's reliance on industry's activities as an  
15 alternative to our own regulatory actions. And to  
16 accomplish this, the Commission indicated that the staff  
17 should also develop guidance on how we would go about  
18 evaluating such proposals.

19 As shown in the second item, the Commission also  
20 gave its preliminary endorsement of the fourth option, which  
21 involved increasing NRC interaction with industry groups and  
22 professional societies in order to develop new national  
23 consensus codes and standards and guidance documents as a  
24 means of strengthening the quality and the rigor of NRC's  
25 regulatory framework, and to support more efficient and

1 effective consistent compliance with that framework.

2                   The Commission also indicated that any  
3 implementation of Option 4, the staff should focus its  
4 initial efforts on working with industry to develop  
5 standards and guidance for the application of PRA methods  
6 and to develop such standards for the medical use area as  
7 well.

8                   Finally, the Commission had a preliminary view  
9 that, although it was not a preferred option at this time,  
10 the designated industry representative folks might have some  
11 potential application to large, broad-scope materials  
12 licensees in cases where NRC's on-site inspections were  
13 conducted relatively infrequently.

14                  Turn to the next slide.

15                  [Slide.]

16                  MR. RUBIN: In all, there were 31 written  
17 stakeholder comments and 18 oral comments on DSI 13. With  
18 regard to those significant comments first, there was very  
19 broad consensus among -- within the nuclear power industry  
20 that the NRC should in fact move forward expeditiously with  
21 the current program to evaluate initiatives proposing  
22 increased NRC reliance on industry activities.

23                  Power reactor commenters indicated that the agency  
24 actions within the current framework was more appropriate  
25 than to go with the more aggressive pursuit of a broad-

1 based expansion of industry's role, a more proactive  
2 framework that was defined in the second option.

3 There was also a broad desire within the nuclear  
4 materials community for NRC placing increased reliance on  
5 material licensing, self-oversight activities, and self-  
6 assessment was specifically identified as an area that they  
7 thought additional reliance should be placed there.

8 CHAIRMAN JACKSON: Let me make sure I understood  
9 something. In the power reactor comments, did you say that  
10 those commenters essentially preferred the status quo?

11 MR. RUBIN: An aggressive, expeditious pursuit of  
12 the current program or approach, that's correct. Other  
13 commenters, such as the ASME, Public Service, also endorsed  
14 the Commission's preliminary view favoring Option 1, saying  
15 it was responsive to the current environment challenge.

16 Even so, as shown in the second bullet, there was  
17 a note of caution expressed by some of the commenters,  
18 including Public Citizen, that if NRC were, in fact, to  
19 place additional reliance on industry self-oversight, it was  
20 our view it would lead to some loss of public confidence in  
21 the agency as an effective and objective regulator.

22 And finally, as shown in the last item on this  
23 slide, there was also very broad stakeholder support for the  
24 Commission's preliminary view that the NRC go ahead and  
25 increase its interaction with industry groups and

1 professional societies in order to develop new codes and  
2 standards and guidance documents for more rigorous and  
3 consistent licensing compliance with our framework.

4 I should also mention, although it's not on the  
5 slide, there were a number of stakeholders in the materials  
6 program especially who favored NRC increasing its support  
7 for accreditation and certification as a means for both  
8 improving materials licensing, safety performance, and  
9 providing a positive basis for NRC reducing its regulatory  
10 oversight activities and the radiation safety officer  
11 position was cited as an example where certification  
12 programs were viewed as one that would improve the  
13 performance among licensees in that area.

14 CHAIRMAN JACKSON: What were the numbers again?

15 MR. RUBIN: We did have 31 written comments and 18  
16 oral comments.

17 CHAIRMAN JACKSON: That's what I thought, okay.

18 COMMISSIONER DIAZ: Is there any other  
19 information, any agency, any role model we can look at in  
20 determining how strong can interaction be with industry  
21 without interfering with the agency's mandate and its  
22 relationship with industry, how many people are doing it in  
23 the government and what stage are they?

24 You know, what is the --

25 MR. RUBIN: Well, within the context of this

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1 particular DSI, I don't recall that there were any comments  
2 made. But within the context of DSI 23, enhancing  
3 regulatory excellence, there were some commenters that  
4 suggested that there be a comparative analysis between NRC's  
5 approach to regulation and -- in excellence and other  
6 agencies, such as FAA and EPA, that sort of thing.

7 COMMISSIONER DIAZ: In other words, are we leading  
8 the pack or is somebody running at the same pace as we are  
9 regarding industry involvement?

10 CHAIRMAN JACKSON: FAA in fact has specific  
11 industry involvement already and the various forms it takes.  
12 I think it's a good suggestion for us to understand where  
13 other agencies are and what the judgment is about the  
14 effectiveness of those approaches -- of those uses and how  
15 that has affected the -- both the judgment as to impact on  
16 the mission, the effectiveness in carrying it out, as well  
17 as any resource questions and public perception.

18 There's a lot to learn, I think, and so I'm saying  
19 that the FAA at least already has things that have been part  
20 of how they do things all the time, but I think it's a fair  
21 question relative to other agencies also.

22 MR. JORDAN: Okay, next is DSI 14. Larry.

23 MR. CHANDLER: DSI 14 poses the issue of: What  
24 approach should NRC take to optimize its communications with  
25 the public?

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1           In its preliminary views, the Commission suggested  
2 principally Option 2, which would call for placing a  
3 priority on early identification of public concerns and  
4 methods for public interaction.

5           The Commission suggested that the term "public" be  
6 interpreted in its broadest possible sense. It would  
7 include, then, not simply members of the public as we  
8 traditionally use it, but members of industry, other  
9 affected organizations, as well as the public, that both  
10 bilateral formal and informal communications be covered,  
11 that the use and reliance, advancement of technology should  
12 be carefully examined before it's used to assure that there  
13 is appropriate planning and coordination for public  
14 involvement with the centralized focus, some integration  
15 before the fact, but recognizing that implementation should  
16 still be the function of the various program offices.

17           The Commission also suggested that the staff give  
18 consideration to Option 1A, which requires further  
19 consideration on maximizing the effectiveness and economy of  
20 the methods of communication that are being used to assure  
21 that we have a consistent methodology and coordinated  
22 planning of these activities, that we give due consideration  
23 and examination of the highest cost activities that we  
24 perform, and that we perform assessments of the improvements  
25 that we take into consideration before they, in fact, are

1        implemented.

2                In terms of the significant comments that were  
3        received, and there were some 34 written comments,  
4        approximately 16 -- excuse me, 34 written and about 16 oral  
5        comments provided, most commenters preferred a combination  
6        of options. Option 2, even as augmented with Option 1A, was  
7        not enough.

8                The Commission's preliminary views were actually  
9        supported only by three of the commenters, that being  
10      Illinois, Texas, and Oregon.

11               A number of commenters provided suggestions to  
12        improve the current process: better public meetings, the  
13        language that's being used, the formality of the structure  
14        that often is employed at these meetings, transcripts. The  
15        use of the term "stakeholders" John Craig alluded to at the  
16        outside has an effect of turning people off in some events.

17               Early involvement, anticipating better, as the  
18        Commission had suggested, the need to involve the public,  
19        again, the public in the broadest sense, in these  
20        activities.

21               There were also suggestions for independent  
22        reviews of the 2.206 petitions. A number of commenters  
23        addressed both the formality of the hearing process and some  
24        of the formalities still existing in the 2.206 process,  
25        although some of the concerns I think raised have already

1      been dealt with in some recent suggestions by the Commission  
2      for improvements in the 2.206 review process, this comment  
3      referring to the suggestion that people not previously  
4      associated with the issue be involved in reviewing the  
5      comment, the issues raised in the 2.206 petition.

6                A number of commenters stated that the NRC should  
7      first decide what it hopes to achieve in its public  
8      communications. Is it interested in informing the public,  
9      involving the public, soliciting the views and thoughts of  
10     the public, then choosing the best option for achieving that  
11     goal?

12              Commenters suggest the NRC should establish  
13     specific goals to assess the effectiveness of its programs  
14     and look to the experiences of both private sector, state,  
15     and other organizations for guidance.

16              It's been suggested, for example, that the folks  
17     in Colorado, the state as well as Public Service of  
18     Colorado, have had very successful programs in connection  
19     with Fort St. Vrain. And EPA also has had good success in  
20     some of its activities related to Superfund sites that  
21     should be considered in our process.

22              Responding to Commissioner McGaffigan's question  
23     earlier regarding the resource implications, I don't really  
24     think that any of the commenters specifically focused on the  
25     resource implications. In fact, some of the numbers I think

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1       that you've gotten are thinking about -- were really  
2       developed after the fact in these cases.

3                 Interestingly enough, a large number of the  
4       commenters here favored more emphasis on Option 3, which  
5       would have a more proactive involvement, more of an  
6       educational and up-front involvement than is suggested by  
7       the other options.

8                 And clearly, that option, I think, would have the  
9       greatest resource implications, that probably beyond --  
10      likely beyond those which the staff has already been  
11      considering.

12                 COMMISSIONER ROGERS: Just before you leave this  
13       independent review of 2.206, I just wanted to understand  
14       that. That's still within NRC, though; we're not suggesting  
15       anybody else?

16                 MR. CHANDLER: No. There were a couple of  
17       thoughts raised on the 2.206 process. First of all, the  
18       thought that you have other staff people than were involved  
19       in the original issue review the 2.206 petition that's  
20       submitted; and two, even consider the use of someone like  
21       CRG or ACRS to look at some of the issues that are raised.

22                 COMMISSIONER DIAZ: How strong was the support for  
23       Option 3 expanding?

24                 MR. CHANDLER: It's hard to say how strong it was.  
25       There were a lot of diverse and diffused comments suggesting

1 greater NRC involvement in the educational process would  
2 have a benefit in terms of assuring some greater  
3 credibility, perhaps, that it would take some of the burden  
4 off the industry in the sense of showing a more independent  
5 assessment of what the issues are than the industry can  
6 credibly put forward in some instances.

7 I would say it was a relatively strong comment,  
8 but again, very diffused.

9 COMMISSIONER DIAZ: Any other comments?

10 MR. JORDAN: I just would comment that the process  
11 that the committee has just gone through is relevant to  
12 this, that we've, I think, been more proactive in obtaining  
13 public comment and sort of fits in with the tone of this.

14 DSI 20. Jim.

15 MR. SHEA: Yes. DSI 20 considered the question of  
16 NRC's appropriate role with regard to international  
17 activities.

18 [Slide.]

19 MR. SHEA: The next slide shows the Commission's  
20 preliminary views on DSI 20 in which the Commission selected  
21 Option 4 in which NRC would conduct international activities  
22 of importance and benefit to its domestic mission or U.S.  
23 national interests, both of those, rather than just focusing  
24 on its domestic mission.

25 And the remainder of the slide indicates the --

1 what that would involve, more specifically, that we would  
2 participate in international policy and priority  
3 formulation, perform our current role in export-import  
4 licensing and related matters, in particular, international  
5 safeguard issues, perform our current and prospective role  
6 in implementing treaties, participate in international  
7 exchange activities that would benefit our domestic program  
8 for U.S. national interests -- these would be mutual benefit  
9 exchanges -- and continue to provide, as we do now, a wide  
10 but carefully selected range of international safety and  
11 safeguards assistance.

12 I might note that research was not included,  
13 international research. There's a separate paper on that.  
14 That does not include DSI 20.

15 [Slide.]

16 MR. SHEA: The next slide continues with the  
17 Commission's preliminary views. At the same time as Option  
18 4, the Commission stated that the NRC will examine the  
19 budget and priority of individual activities in the  
20 international area and develop a plan to prioritize those  
21 activities, and this would include research, drawing on work  
22 in DSI 22, so the Commission could look at possible  
23 reductions or expansions in programs in a systematic way  
24 with an eye on the budget.

25 And the Commission also noted that since we are

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1 licensee-fee based, we would have to look closely at how  
2 these activities related to our mission as we do that study.

3                 The comments that came in numbered 37 written and  
4 nine oral submissions, mostly domestic, although some came  
5 from abroad. We found that most of the commenters supported  
6 the Commission's preliminary view on Option 4, both the  
7 Commission's choice of the option and also the Commission's  
8 emphasis on prioritizing NRC's international activities.  
9 There were specific comments on that.

10               This support included industry, particularly NEI,  
11 with their view that this would help avoid foreign  
12 accidents, but at the same time, they noted that they felt  
13 others beyond the nuclear industry should pay for activities  
14 that do not directly benefit licensees.

15               Several commenters noted that there were safety  
16 benefits that resulted from NRC's international activities  
17 and encouraged a continuing NRC leadership role in this  
18 area.

19               There were several that suggested that we should  
20 improve coordination of safety assistance with public and  
21 private groups to improve the effectiveness and efficiency.  
22 This would be more, I think, in the implementation phase  
23 that this would be carried out.

24               While most supported Option 4, the OAS and most  
25 state regulators supported Option 3. They noted that -- and

1       this Option 3, by the way, would be NRC conducting  
2       activities of benefit just to our domestic mission.

3                 They noted that this would free up money that's  
4       now spent for international activities that could be used  
5       instead for purposes such as Agreement State training. That  
6       was the main reason they cited for supporting Option 3,  
7       although we did have one comment asking why NRC should give  
8       'assistance to countries that are not buying U.S. reactors,  
9       for example.

10               There were some that supported Option 5, which is  
11       to expand our international activities, such as the State  
12       Department and ABB and some of the state regulators. And  
13       that was, I guess, about the sum of the comments, if there  
14       are any questions you might have.

15               COMMISSIONER DIAZ: This phrase, "commenters  
16       suggested that increased coordination of safety assistance,"  
17       were any comments from any of the other agencies regarding  
18       increased coordination of activities that were in the  
19       international arena?

20               MR. SHEA: From the other government agencies?  
21       No, I didn't see any of that. The State Department did say  
22       that there should be a systematic review of safety  
23       assistance, as was proposed in the DSI 20 paper, because it  
24       was timely and there had been some successes, but also some  
25       problems in implementing assistance.

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1           The comments that we received in this area were  
2 mainly from the private sector saying we should look at WANO  
3 and coordinating more closely with DOE, for example.

4           COMMISSIONER DIAZ: Some of those comments refer  
5 to increased coordination with other agencies?

6           MR. SHEA: Yes, that's right, particularly DOE.

7           COMMISSIONER DIAZ: Particularly DOE?

8           MR. SHEA: Yes, and that was noted in DS 20 as  
9 well.

10          MR. JORDAN: Any other comments?

11          Jesse.

12          MR. FUNCHES: DS 21 involved implementation of  
13 the requirement to recover 100 percent of the NRC's budget  
14 by assessed fees. There were two questions associated with  
15 the DS 21. The first one is the broader issue of: To what  
16 extent should fees be considered in making a decision about  
17 what activities the NRC should perform in support of its  
18 mission?

19          Four options were evaluated and they ranged from  
20 no consideration fees to considering fees for all NRC  
21 activity.

22          A second part of the DS 21 had to do with  
23 alternative ways to fund NRC's activities. The question  
24 that was posed was, what funding mechanism should NRC pursue  
25 to fund activities not required to be funded through

1 appropriations?

2 Next chart, please.

3 The Commission's preliminary view was to adopt  
4 Option 2 with respect to the broader issue of considering  
5 fees and decision. The preliminary view was that  
6 programmatic decisions in response to NRC mandates would not  
7 be driven by fees but would be based on their contribution  
8 to public health and safety.

9 The Commission also noted that in addressing new  
10 activities, they would request that fees be addressed as  
11 part of their decision to add new activities to NRC.

12 With respect to the funding mechanism, the  
13 preliminary view was to support alternative 2, which would  
14 continue to fund approximately 100 percent of the  
15 appropriated budget through fees. Reimbursable agreements  
16 would be used to fund those activities that we're not  
17 mandated to perform.

18 As a subpart of that, the Commission's preliminary  
19 view would also support working with OMB to look at  
20 alternative ways to remove the FTE's constraint associated  
21 with reimbursable work.

22 There were 33 written comments on the DSI. Of  
23 those 33, approximately 50 percent were from our Agreement  
24 States or an organization associated with Agreement States.

25 There were eight commenters at the three

1 stakeholder meetings. There was general support for both  
2 Option 2 and the funding mechanism, that is, the Commission  
3 preliminary views; however, several of the industry  
4 commenters supported funding mechanism number 1.

5 Under that alternative, we would include from the  
6 fee base costs that serve the collective interests of the  
7 public, and that would be approximately 10 percent of the  
8 NRC's budget.

9 They also encouraged the use of a reimbursable  
10 agreement to avoid costs that do not benefit licensees.

11 Several state commenters also supported assessing  
12 fees to federal agencies for specific services. This would  
13 be funding mechanism number 3. This was -- this was similar  
14 to what they do for state agencies that they regulate.

15 Some commenters were concerned about the future of  
16 fees. Specifically, they were concerned about potential  
17 factors that could increase fees in the future.

18 One particular area they were concerned about was  
19 the possibility of early reactor shutdown and  
20 decommissioning and more states becoming Agreement States.  
21 The concern there is that if you reduce the number of fee-  
22 paying licensees, those costs that the NRC incur that are  
23 not a function of the licensee, therefore, would have to be  
24 spread to a smaller base.

25 Another concern that was expressed as it relates

1 to future fees was the impact of fees as you enter into  
2 restructuring of the industry. Their concern there was that  
3 fees would become a higher percentage of the profit margin  
4 or the -- that they might receive.

5 There were two commenters that supported funding  
6 mechanism number 4. That basically says, go to Congress and  
7 request that no fees be assessed.

8 CHAIRMAN JACKSON: Any comments or questions? Can  
9 I ask you to ask folks to talk faster?

10 MR. JORDAN: Yes.

11 MR. SPEIS: The next DSI addresses the future role  
12 and scope of NRC's research program. The next viewgraph  
13 shows the Commission's preliminary views. The Commission  
14 initially supported a combination of options that were seven  
15 to start with.

16 First they said that we should have a research  
17 program. We should include both -- elements of both  
18 confirmatory and exploratory research -- that's Option 4 --  
19 and they should be balanced in such a way that both current  
20 as well as potentially emerging issues are being addressed,  
21 and the Office of Research, in consultation with the other  
22 program offices, should develop criteria for determining  
23 what the core research program should be which will be able  
24 to respond to both programmatic needs as well as anticipate  
25 future needs, and the Office of Research should work with

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1       the other offices to develop criteria and provide it to the  
2       Commission for their approval prior to the development of  
3       these core research programs.

4              Continuing with the preliminary views, the next  
5       viewgraph, the staff should continue to support the  
6       educational grant program, Option 6, but this program should  
7       be reevaluated at least every two years.

8              And also, the staff should continue to support  
9       active participation in international safety programs which  
10      should be prioritized and appropriately integrated with  
11      NRC's research efforts and also considered in the  
12      establishment and maintenance of the core research  
13      capability.

14              And, also, the Commission wants us to address a  
15      number of specific questions which were raised in the DSI  
16      paper.

17              Getting to the significant comments, there were 29  
18      written comments and nine oral ones, half a dozen NRC staff  
19      persons that provided -- also provided comments to this DSI.

20              In both the written comments and those provided at  
21      the stakeholders' meeting, there was general agreement that  
22      the NRC should continue to support the research program  
23      which involves both confirmatory and exploratory research.

24              One commenter suggested a more aggressive research  
25      program is appropriate but without explicitly specifying

1       whether the program should be more exploratory or  
2       confirmatory. That commenter was the ACRS, by the way.

3             Several industry commenters suggested that  
4       cooperative research with industry is an option that should  
5       also be considered. The paper itself addresses cooperative  
6       research with international, but there is no explicit  
7       mention of cooperative research internally in the United  
8       States with our industries.

9             A number of commenters also raised concerns about  
10      the lack of openness of the NRC's research program, and here  
11      they referred mostly to the process, being active  
12      participants from the initial phases from the definition all  
13      the way to carrying the program itself, instead of giving  
14      the results at the end.

15             CHAIRMAN JACKSON: Any comments or questions?  
16             Thank you.

17             MR. RUBIN: Okay. The next DS is DS 23,  
18      enhancing regulatory excellence.

19             [Slide.]

20             MR. RUBIN: Shown on this first slide is DS as it  
21      was originally cast, is very narrowly defined, and asked the  
22      question: How can the NRC achieve regulatory excellence by  
23      improving its regulatory standards, rules, and requirements?

24             The paper itself is much broader in scoping  
25      regulatory excellence to apply to all of the NRC's

1 regulatory programs, not just to the rules and regulations  
2 phase.

The paper provided two strategies for achieving regulatory excellence. The first was, continue the current program, which is often reactive. The second was to take a substantially more proactive approach to regulatory improvement.

8 Next slide, please.

[Slide.]

10 MR. RUBIN: The Commission in its preliminary view  
11 favored the more proactive approach to improvement embodied  
12 in the second option.

13                   And as shown in the first item, the Commission  
14                   indicated that the proactive improvement campaign should be  
15                   designed to improve our own internal effectiveness and we  
16                   should set for ourselves a goal of excellence in the  
17                   performance of both our staff and our internal processes.

25 Next page, please.

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1           Total of 32 written stakeholder comments were  
2    received and 21 oral comments from the public meeting on DS1  
3    23.

4           First, there was extremely broad support for the  
5    Commission's preliminary view that the NRC embark on a more  
6    proactive approach to improving regulatory effectiveness.  
7    Support for this strategy came from the stakeholders in both  
8    the power reactors area as well as materials program area  
9    and was generally favored by the agency's own internal staff  
10   who had comments on this issue.

11          But within the broad consensus favoring the  
12    proactive option, there was considerable diversity of the  
13    ideas as to the appropriate focus and emphasis and the  
14    priorities for improvement, as well as the appropriate  
15    process and the pace that the agencies should employ in  
16    pursuing excellence.

17          For example, many stakeholders equated enhancing  
18    regulatory excellence with the NRC replacing its  
19    prescriptive framework of regulations, standards and  
20    guidance with a more risk-informed and performance-based  
21    regulatory approach, or with NRC modifying or eliminating  
22    requirements with marginal safety.

23          However, even so, Public Citizen did remark that  
24    they believed that the recent changes that were made in  
25    connection with the marginal safety program amounted to what

1       they call in the industry deregulation, rather than pursuit  
2       of regulatory excellence.

3                 Also, NEI and OAS indicated that enhancing  
4       regulatory excellence for them meant, for example, that NRC  
5       would strive to proportion its resource expenditures to the  
6       risk significant or safety issues involved.

7                 Nonetheless, despite the diversity of the comments  
8       and the views on priorities as noted in the next to the last  
9       bullet, the stakeholders broadly, generally agreed that --  
10      with the Commission's view that this proactive approach  
11      should be broadly applied to all the agency's functions, not  
12      just to regulatory programs, emphasizing the issue paper.

13               A number of commentors also urged that external  
14      stakeholders be brought in to participate in the agency's  
15      internal review processes that would be initiated as part of  
16      this more proactive approach.

17               'And finally, as was mentioned just briefly before,  
18      a power reactor industry group, NEI, indicated that the NRC  
19      ought to consider having another federal agency, such as EPA  
20      and FAA, conduct a peer review evaluation of NRC's processes  
21      as an alternative additional means of enhancing regulatory  
22      excellence.

23               CHAIRMAN JACKSON: Thank you.

24               Any comments or questions?

25               MR. JORDAN: The last one.

1                   MR. MIRAGLIA: DSI 24: What should the NRC  
2                   strategy be for regulating decommissioning activities at  
3                   power reactors?

4                   Preliminary views of the Commission was to  
5                   continue the current direction, approach, and to explore  
6                   some innovative approaches.

7                   The Commission, in its preliminary view, gave some  
8                   examples of approaches that should be considered. And  
9                   consistent with the Commission guidance, we sought comment  
10                  on those approaches, transfer of the power plants to  
11                  Agreement States after fuel had been put into dry storage  
12                  and putting the resident inspectors in all phases of  
13                  decommissioning, or only in specific phases or not at all,  
14                  and having a performance-oriented approach for radiological  
15                  assessment of the site that's to be released.

16                  The options were to continue the program at its  
17                  current pace or to be more aggressive. Significant  
18                  comments, there were 28 written comments, 19 oral comments  
19                  at the three meetings.

20                  Strong support for being more aggressive,  
21                  particularly in context with developing the site release  
22                  radiological criteria. That seemed to be the center. They  
23                  recognized that the current approach had a series of  
24                  rulemakings, but those rulemakings couldn't proceed until  
25                  there was a good understanding of what the goals for

1       decommissioning were going to be. So there was strong  
2       support for being aggressive in that area.

3           There was one group of commenters that supported  
4       Option 3 and -- which was the one to slow down because a  
5       concern was expressed that perhaps there couldn't be a good  
6       agreement between NRC and the EPA with respect to the site  
7       radiological and they would prefer us to have that role.  
8       So, again, I would look at that as a -- in terms of Option  
9       2.

10           They raised questions. Also, commenters were --  
11       indicated that the impacts of deregulation on  
12       decommissioning funding, recognizing that there is an  
13       activity there, but again, there's a linkage to keep the  
14       process moving at a fast pace.

15           With respect to the three approaches that were  
16       discussed, there was little support, particularly from the  
17       Agreement States, for taking the authority for the sites  
18       after they had been decommissioned.

19           With respect to the resident, the preferred option  
20       of the three approaches there is that the current practice  
21       of having inspection available during major phases of  
22       decommissioning seemed to be the preferred approach with  
23       respect to that issue, and certainly, having a performance-  
24       based radiological assessment of the site was preferred, but  
25       again recognizing one needed to have specific criteria to

1 shoot for, and that's how you do the site decommissioning  
2 rule, and that summarizes the comments on DSI 24.

3 CHAIRMAN JACKSON: Very good. Any --

4 MR. JORDAN: I have a closing remark to make at  
5 this point, and I think it's important that we not only  
6 recognize the staff work, but the responses that we got from  
7 stakeholders, internal and external. Stakeholder  
8 involvement was, I thought, excellent.

9 The committee entered that process with some  
10 feeling of risk or impending problems, but it worked out  
11 very well and the stakeholders were very, very thoughtful  
12 and constructive, and the committee finds that it was a  
13 positive experience and perhaps a model we would utilize  
14 again in a future exchange.

15 CHAIRMAN JACKSON: Thank you.

16 Following on that, you have presented and provided  
17 and shared with us a significant amount of information and  
18 insight gained as a result of your interactions with the  
19 stakeholders, and stakeholders is not being used in a  
20 pejorative sense here.

21 I know that this approach of sharing the  
22 Commission's views on policy with our stakeholders,  
23 including our own employees, licensees, as well as members  
24 of the public before the Commission reaches a final policy  
25 decision is new.

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1           Can you tell me, beyond the specific input, some  
2       of what you've shared with us today? What do you think  
3       we've learned from this process that will be useful going  
4       forward?

5           MR. JORDAN: Well, I think the facilitation of  
6       comments -- the preliminary -- the sequence of preliminary  
7       decision, that is, there's some direction and thought been  
8       given based on staff proposal, and the staff proposals were  
9       not, except for the one I was involved in, biased towards a  
10      particular outcome, a particular option, but they were  
11      options presented with a discussion and not a recommendation  
12      for selecting an option.

13           The Commission selected from among the options and  
14      then offered that for comment. I think that's a very good  
15      model, and the public and our own staff viewed it as a  
16      positive approach.

17           CHAIRMAN JACKSON: Did it present any particular  
18      difficulties for you?

19           MR. JORDAN: The only anxiety is at the front end.  
20      There was a great deal of -- there was an investment of time  
21      and there is a -- then a calendar effect that no one  
22      believes that they've had sufficient time to comment, ever.

23           CHAIRMAN JACKSON: Well, that's true anyway.

24           MR. JORDAN: That's correct. And so there was a  
25      -- in fact, in this case, we did provide a two-week

1 extension for those that did have further comments and still  
2 we got substantive comments after that time frame. So that  
3 affects the calendar that one can do things.

4 But in terms of the benefits, I think the benefits  
5 outweighed the effect on the calendar and the risks.

6 MR. MIRAGLIA: I just would like to share an  
7 observation. I think the rest of the committee would also  
8 agree with the observation that it was unique in that it was  
9 decisions in many areas -- usually when we have public  
10 outreaches, it's focused on one area. We had a whole range  
11 of activities.

12 And one observation that hit me is that this is a  
13 unique experience in that many of our licensees, from small  
14 materials to large reactors, were interacting at the same  
15 time, and the full breadth and scope of the agency's  
16 responsibilities and role were at least exposed to all.

17 I'm not sure they were understood by all, but the  
18 complete range of activities, and that was unique in terms  
19 of having everyone see what's on the agency's plate and what  
20 roles it plays and the various things, and that was a very  
21 unique aspect of this particular set of meetings.

22 I just thought I'd share that.

23 MR. JORDAN: That's an excellent point. And in  
24 fact the stakeholders commented in several of the meetings  
25 that they enjoyed the opportunity to interact among

1 different types of licensees and with the public and with  
2 industry groups.

3 CHAIRMAN JACKSON: So you're saying we facilitated  
4 that process?

5 MR. JORDAN: We facilitated that interaction, and  
6 we had a potential for failing to do that because, had we  
7 compartmentalized these in such a way that you didn't have  
8 the mix of materials and reactors and states and utilities  
9 and industry, we would have failed to have that crossing of  
10 interests. And so that was fortuitous, but it worked out  
11 right.

12 CHAIRMAN JACKSON: I'd like to get comments from  
13 the other two.

14 Ms. Silber.

15 MS. SILBER: Well, to follow on --

16 CHAIRMAN JACKSON: Three.

17 MS. SILBER: -- with what was made, we did observe  
18 through the meetings that we found it very interesting that  
19 we were drawing from a wide group of individuals and we  
20 found that individuals particularly, I think we anticipated  
21 the licensees, the large groups that deal with us, to have  
22 an interest in these meetings.

23 But we were quite surprised by some of the  
24 individuals who, at their own expense, and in some cases  
25 taking leave from their jobs and traveling some significant

1       distances, attended the meetings and also gave us some very  
2       valuable input that gave us a different perspective on a  
3       number of the issues.

4                     CHAIRMAN JACKSON: Mr. Craig.

5                     MR. CRAIG: Well, I just had one other  
6       perspective. It goes back to a point raised by Commissioner  
7       Diaz I believe earlier, and it is from the discussion of the  
8       stakeholders from the different individual perspectives.

9                     I think they learned a great deal, not just about  
10      us, but about each other. I think as a result of that, the  
11      comments and the discussions and issues were much more  
12      beneficial to the staff and it was's very positive  
13      interaction to all the stakeholder meetings.

14                    As Mr. Jordan noted, there was some apprehension  
15      before the first one, but after the first one, there was  
16      enthusiasm. It was a very positive experience for us and  
17      the stakeholders.

18                    CHAIRMAN JACKSON: Mr. Chandler.

19                    MR. CHANDLER: I would agree. It was a very  
20      positive exchange from both perspectives. One of the points  
21      that was pointed out that I think we need to bear in mind,  
22      it came up in the context of the DSI I spoke to on public  
23      communication, that was the way in which we present these  
24      issues, the language we use.

25                    In fact, someone commented that the issue papers

1 require 20 years of formal education to fully appreciate --

2 CHAIRMAN JACKSON: Is that all?

3 MR. CHANDLER: There was a good lesson in that. I  
4 think we need to be mindful of not only the technology we  
5 use to communicate with people, but the language we use as  
6 well.

7 CHAIRMAN JACKSON: Absolutely. Any follow-on  
8 comments or questions?

9 Commissioner Rogers.

10 COMMISSIONER ROGERS: Well, I noticed that NEI's  
11 comments, they set up a format to make their comments in and  
12 the first point of the format was what, if any, important  
13 considerations have been omitted? And I think they had some  
14 very interesting things they thought ought to be thought  
15 about here.

16 I'm just wondering if you had any other groups  
17 commenting that they thought there ought to be things in  
18 there that we've left out and just how we might, in some way  
19 or another, in cleaning these things up sweep those into the  
20 process.

21 MR. JORDAN: That there were, and that was one of  
22 the formal questions that we posed in the Federal Register  
23 notice, that people should identify missions. And so that  
24 was -- that was in fact a useful way to identify.

25 CHAIRMAN JACKSON: Commissioner Dicus.

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1                   COMMISSIONER DICUS: No.

2                   CHAIRMAN JACKSON: Commissioner Diaz.

3                   COMMISSIONER DIAZ: Yes, I have one concern, maybe  
4        a suggestion.

5                   This thing is getting closer and closer to being  
6        put together and maybe seeing the trees inside of the  
7        forest. I've got a concern how we are going to assign  
8        resources to carry out the, quote, mandate or programs of  
9        the strategic plan. Specifically, I'm concerned how we're  
10      going to develop our human resources to be able to tackle  
11      the different issues and be prepared to assume different  
12      roles of higher responsibility.

13                  MR. JORDAN: Yes, and I won't try to answer that.  
14      I accept it as a concern that we all must have.

15                  CHAIRMAN JACKSON: Well, I think it is obviously  
16      the long-range concern, and it has to do with long-range  
17      implementation as well as any renormalizations of our  
18      regulatory program.

19                  That is something that I think Mr. Callan and the  
20      whole team of new managers know that they have to address  
21      head-on in terms of looking, overall, at core competencies  
22      and what we need to do, both in terms of responding to  
23      specific Commission direction coming out of this, but more  
24      broadly, positioning ourselves for any new responsibility.  
25      That's a big part of what the management team's job really

1 is.

2 Commissioner McGaffigan.

3 COMMISSIONER McGAFFIGAN: The question I asked  
4 earlier was really a concern. I think that perhaps we would  
5 have been better off if everybody knew how much all these  
6 options were going to cost when they were talking about  
7 them, and I am concerned just -- it's a resource issue,  
8 whether we're going to be able to either go in for  
9 significant additional resources or find other parts of our  
10 budget that we can cut back to pursue options, but there's a  
11 process for doing that.

12 The stakeholder comments might have been more on  
13 point to the process -- we're going to have to go through  
14 the next several months -- if they had -- if they had  
15 realized that some of these things weren't free.

16 CHAIRMAN JACKSON: I think everybody knows they're  
17 not and I guess I'd say yes and no. I would say when you're  
18 considering a plethora of options, there are always  
19 different ways the process can be handled, but a way to  
20 begin to give some focus that allows the staff to put some  
21 flesh on the bones in terms of what the resource  
22 implications are is to have the preliminary views.

23 In the end, we're going to have to determine what  
24 that prioritization is, given the understanding we have of  
25 our various stakeholders' concerns. But in terms of, you

1 know, making the hard-core marriage between the resources  
2 and the choices is really our job to do.

3 Well, the Commission would like to thank the  
4 members and staff of the Strategic Assessment and  
5 Rebaselining Steering Committee for a very informative and  
6 full briefing on this Stakeholder Interaction Report and  
7 related issues, and so I commend you for seeking a wide  
8 stakeholder input and participation.

9 You provided the Commission and I believe the  
10 public with a well-organized effort. The effort of  
11 information will be of great assistance to the Commission as  
12 we consider and make final decisions on the Direction  
13 Setting Issues.

14 The Commission in this meeting would like to thank  
15 the many organizations, licensees, NRC employees,  
16 individuals, and all who participated in the public meetings  
17 and/or who provided written comments. The Commission in  
18 fact values very much this input and will consider it in  
19 developing our final decisions on the direction of the NRC,  
20 and so unless there are any further comments for my full  
21 Commissioners, we stand adjourned.

22 We do have an affirmation for the Commissioners.  
23 [Whereupon, at 11:48 a.m., the briefing was  
24 adjourned.]

25

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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: BRIEFING ON NRC STRATEGIC ASSESSMENT -  
PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Monday, January 13, 1997

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

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**STRATEGIC ASSESSMENT AND  
REBASELINING**

**PHASE II**

**STAKEHOLDER INTERACTION REPORT**

**January 1997**

# **AGENDA**

- **Description of Interaction Process**
- **Comments on Direction Setting Issue Papers**

**DSI 2: SHOULD NRC SEEK TO EXPAND  
ITS REGULATORY AUTHORITY  
AND RESPONSIBILITIES TO  
INCLUDE DOE FACILITIES?**

## **DSI 2 COMMISSION'S PRELIMINARY VIEWS**

- **The NRC would not take a position on accepting broad responsibility for DOE Facilities (Option 4). NRC would neither encourage nor oppose legislation giving it broader authority over DOE nuclear facilities.**
- **Given adequate resources and a reasonable time schedule to develop and initiate a regulatory program, the NRC could provide adequate regulatory oversight of DOE, if asked.**
- **If NRC were to be given added regulatory oversight of DOE facilities, the Commission would prefer that the regulatory responsibilities be placed on the NRC on an incremental basis and that some type of prioritization methodology be used to determine the types of DOE facilities that, if subject to NRC oversight, would provide the greatest potential benefit to public health and safety.**

## **DSI 2 SIGNIFICANT COMMENTS**

- Most commenters felt that NRC should take a position regarding regulation of the Department of Energy.
- Several commenters strongly encouraged the Commission to aggressively pursue external regulation of DOE under Option 1B. This option would divide regulatory responsibility for DOE among Federal and State agencies in the same way it now occurs for commercial facilities.

**DSI 4: WHAT SHOULD BE NRC'S  
STRATEGY REGARDING STATES  
BECOMING AND REMAINING  
AGREEMENT STATES?**

## **DSI 4 COMMISSION'S PRELIMINARY VIEWS**

- **Continue the Current Program, Including Adopting Current Initiatives (Option 3)**
- **Encourage More States to Become and Remain Agreement States, Primarily Through Non-Monetary Incentives**
- **Explore Providing “Seed Money” and/or Financial Grants to Encourage States to Seek Agreement State Status**
- **Provide Training to Agreement States Without Charge on a “Space Available” Basis. Funding for Travel and Technical Assistance Would be Borne by the Agreement States**

## **DSI 4 SIGNIFICANT COMMENTS**

- **Agreement States and some other commenters felt very strongly that the NRC should reinstate funding of Agreement State training, travel and technical assistance.**
- **Although some licensees opposed reinstatement of funding, opposition was limited.**
- **Commenters considered that a significant benefit of NRC-sponsored training is enhanced consistency and compatibility and suggested that NRC reinstate funding to support this end.**

## **DSI 5: WHAT SHOULD BE THE ROLE AND SCOPE OF THE NRC'S LOW-LEVEL RADIOACTIVE WASTE PROGRAM?**

## **DSI 5 COMMISSION'S PRELIMINARY VIEWS**

- Assume a Strong Regulatory Role in the National Program (Option 2). This Option Would Encompass All of the Activities That Were Performed Before the Recent Reductions in the Low-Level Waste Program.**

## **DSI 5 SIGNIFICANT COMMENTS**

- Many Agreement State commenters opposed the Commission's preliminary view that the current LLW program be expanded.
- Agreement State commenters preferred an option between Option 3, Continue Current Program and Option 4, Recognize Progress and Reduce Program.

## **DSI 6: IN RECOGNITION OF CURRENT UNCERTAINTIES, HOW SHOULD NRC APPROACH THE PRESENT HIGH-LEVEL WASTE SITUATION?**

## **DSI 6 COMMISSION'S PRELIMINARY VIEWS**

- **Maintain NRC's Existing HLW Program (Option 3).**
- **The Commission Would Like to Explore  
Taking a More Active Role in Resolving Issues in  
the National HLW Program, Consistent With  
NRC's Mission.**

## **DSI 6 SIGNIFICANT COMMENTS**

- **Support for the Commission's preliminary view as stated was limited, with most commenters calling for some modification of the preliminary view.**
- **Overall, the commenters were divided in their support of the various options.**
- **The Department of Energy and the State of Nevada supported the Commission's preliminary view.**

**DSI 7: WHAT SHOULD BE THE FUTURE  
ROLE AND SCOPE OF NRC'S  
NUCLEAR MATERIALS PROGRAM,  
AND IN PARTICULAR, NRC'S  
REGULATION OF THE MEDICAL  
USE OF NUCLEAR MATERIAL?**

## **DSI 7 COMMISSION'S PRELIMINARY VIEWS**

- Continue the Ongoing Program With Improvements (Option 2) and;
- Decrease Oversight of Low-Risk Activities With Continued Emphasis of High-Risk Activities (Option 3).
- In Implementing Option 3, the NRC Would Utilize the Risk-Informed Performance-Based Approach to Determine Which Activities in the Materials Area, and Specifically in the Medical Area, Are Low-Risk Activities.

## **DSI 7 SIGNIFICANT COMMENTS**

- **Most commenters supported the Commissioner's preliminary views. In particular, several licensee and professional organizations changed their position from an earlier endorsement of the National Academy of Sciences recommendation.**
- **Commenters also strongly supported a single federal agency being responsible for regulation of all radiation sources, including Naturally Occurring and Accelerator Produced radioactive material (NARM).**

**DSI 9: WHAT SHOULD BE NRC'S  
STRATEGY TO TAKE ADVANTAGE  
OF NEW AND DIFFERENT  
APPROACHES TO OPTIMIZE SITE  
REMEDIATION OF THE SITE  
DECOMMISSIONING  
MANAGEMENT PLAN AND OTHER  
PROBLEM SITES?**

# **DSI 9 COMMISSION'S PRELIMINARY VIEWS**

- A combination of options were selected that would place appropriate responsibility on licensees to remediate their sites while giving NRC appropriate tools to deal with problem sites and licensees.
  - Change the decommissioning review process (Option 2);
  - Focus on decommissioning cases in which progress can be made and transfer stalled sites to EPA (Option 6);
  - Take an aggressive position to develop regulatory frameworks for lower cost decommissioning waste disposal (Option 7); and
  - Develop a Strong Litigation Strategy (Option 8);
  - Option 2 should be tested on a pilot scale for a few selected materials licensees to determine the potential success and effectiveness of this option if it were to be adopted on a broader scale.

## **DSI 9 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- The pilot program participants should be volunteers that are found to be suitable for participating in the pilot program by the NRC.
- With regard to Option 6, the staff should also examine the level of risk associated with each site and focus on better progress and risk in making determinations on the disposition of sites.
- Determinations on whether to send to EPA's Superfund Program a stalled, high-risk site or a low-risk site where progress is being made, should be made on a case-by-case basis.
- The implementation process for Option 6 should not preclude the Commission from reviewing a low-risk, stalled site if conditions warrant, nor should the process automatically send the site to EPA's Superfund Program.

## **DSI 9 SIGNIFICANT COMMENTS**

- There was broad support for the options identified in the Commission's preliminary view and for taking serious steps to reduce the burden and intrusiveness of regulations in areas where the risk does not justify it.
- Most commenters called for close coordination with them in any systematic review of and revisions to the regulations.

**DSI 10: GIVEN THE CURRENT  
ENVIRONMENT, WHAT SHOULD  
THE COMMISSION'S POLICY BE  
ON FUTURE REACTORS?**

## **DSI 10 COMMISSION'S PRELIMINARY VIEWS**

- Recognized that fundamental economic decisions by license applicants will determine level of necessary support.
- NRC should continue to give priority for reviewing standard and advanced reactor designs, early site approvals, and licensing for new reactor license applicants.

## **DSI 10 COMMISSION'S “PRELIMINARY VIEWS (CONT.)**

- **Staff should develop implementation guidance for the following:**
  - Address maintenance of the utility requirements document and the certified designs through first-of-a-kind engineering
  - Address orderly closeout of all activities and document the work performed (e.g., SBWR, MHTGR)
  - Evaluate design certification process following completion of current applications for lessons learned

## **DSI 10 SIGNIFICANT COMMENTS**

- **Several commenters supported the elements of Option 2 and the Commission's preliminary views with some modification.**
- **One commenter stated that the NRC should be more specific on issues related to this DSI and begin to address major generic issues associated with the siting and licensing aspects of Part 52.**
- **Several commenters endorsed Option 3 and noted that the economic and political environment will preclude new nuclear plants in the U.S. for many years.**

**DSI 11: GIVEN THE CHANGES IN THE EXTERNAL/INTERNAL ENVIRONMENT, WHAT ARE THE IMPLICATIONS FOR THE CURRENT STRATEGIES FOR THE OPERATING REACTOR PROGRAM?**

# **DSI 11 COMMISSION'S PRELIMINARY VIEWS**

- **Option 1**
  - Continue ongoing comprehensive review
  - Include systematic reexamination of the reactor oversight program
- **Option 2**
  - Encourage industry to develop generic guidelines that can be endorsed by the NRC and carried out by the industry
  - Provide increased opportunities for public involvement
  - Expand use of technology to improve efficiency
  - Increase flexibility in staffing multiple-unit sites
  - Improve effectiveness and understanding of performance assessment process

## **DSI 11 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- Option 3
  - Consider work process re-engineering methods to improve various aspects of the reactor oversight program
  - Identify for Commission review and approval areas that could benefit
  - Consider “best-practices” from other regulatory agencies (foreign and domestic, nuclear and non-nuclear)

## **DSI 11 SIGNIFICANT COMMENTS**

- One commenter noted a public perception that industry's increased role in setting regulations and acting as NRC's partner reduces NRC's credibility.
- Many commenters supported Option 3, but to differing degrees. Several suggested that the effectiveness of the Resident Inspector be included in the BPR.
- One commenter stated that the effectiveness of the enforcement policy should have been included in the issue paper.

**DSI 12: WHAT CRITERIA SHOULD NRC  
USE IN EXPANDING THE SCOPE  
IN APPLYING A RISK-INFORMED,  
PERFORMANCE-BASED  
APPROACH TO RULEMAKING,  
LICENSING, INSPECTION AND  
ENFORCEMENT?**

## **DSI 12 COMMISSION'S PRELIMINARY VIEWS**

- **Higher risk activities should be the primary focus of agency efforts and resources**
- **Staff should continue current efforts (Option 1) on pilot programs and continue to evaluate performance data as it becomes available**
- **Staff should proceed in the direction of enhancing the PRA Implementation Plan (some elements of Option 3)**

## **DSI 12 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- Staff should perform a thorough review of the basis for nuclear materials regulations and processes to identify and prioritize those areas that may be amendable to risk-informed, performance-based approach. This assessment should lead to a framework for applying PRA to nuclear material uses**

# **DSI 12 SIGNIFICANT COMMENTS**

- Almost all commenters support the view that in general NRC should focus on higher risk activities.
- Most commenters supported a transition toward more risk-informed, performance-based regulatory approaches.
- Although most commenters supported the concept of risk-informed, performance-based regulation, there was not, in general, agreement on the approach.
- Four general areas of commenter concern:
  - Recognizing the distinction and defining the relationship between “risk-informed” and “performance-based”
  - Demonstrating a commitment to change the regulatory environment and to establish a new strategic direction
  - Fostering public confidence and ensuring public understanding of the process
  - Establishing an objective standard for protection of public health and safety.

**DSI 13: IN PERFORMING ITS  
REGULATORY  
RESPONSIBILITIES, WHAT  
CONSIDERATION SHOULD NRC  
GIVE TO INDUSTRY ACTIVITIES?**

## **DSI 13 COMMISSION'S PRELIMINARY VIEWS**

- NRC should move as expeditiously as possible, within budget constraints, to evaluate on a case-by-case basis, initiatives proposing further NRC reliance on industry activities as an alternative for NRC regulatory activities
- NRC should increase its focus and emphasis on interacting with both industry groups and professional societies and technical institutes to develop new codes, standards, and guides needed to support efficient, effective, and consistent performance of industry activities important to safety

## **DSI 13 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- Initial activities should focus on standards development in probabilistic risk assessment and the medical use area**
- Although not a preferred option at this time, the use of a designated industry representative may have some potential use for large broad scope materials licensees where NRC oversight through inspection is not frequent**

## **DSI 13 SIGNIFICANT COMMENTS**

- **Industry commenters support expeditious action for further reliance on industry activities.**
- **Several commenters cautioned that further reliance on industry activities would cast doubts on NRC's creditability as an effective regulator.**
- **There was broad support for NRC to increase its interactions to develop new codes and standards and guides.**

**DSI 14: WHAT APPROACH SHOULD  
NRC TAKE TO OPTIMIZE  
ITS COMMUNICATION WITH  
THE PUBLIC?**

## **DSI 14 COMMISSION'S PRELIMINARY VIEWS**

- Priority on early identification of public concerns and methods for public interation
  - The term “public” to be interpreted in broadest sense
  - Bilateral formal & informal communications covered
  - The role of technology should be carefully examined
  - Planning & coordination for public involvement should have a central focus
  - Implementation is responsibility of program offices

## **DSI 14 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- Maximize Effectiveness and Economy**
  - NRC should have a consistent methodology and coordinated planning**
  - Focus on examination of the highest cost activities**
  - Perform better assessments of proposed improvements**

## **DSI 14 SIGNIFICANT COMMENTS**

- **Most commenters preferred a combination of options; Option 2 is not enough.**
- **Several commenters provided suggestions that would improve the current process.**
  - Better Public Meetings
  - Early Involvement
  - Independent Review of 2.206 Petitions
- **Several commenters stated that the NRC should first identify its fundamental objective in public communication and then choose an option.**
- **Commenters suggested NRC should establish specific goals to help assess the effectiveness of its program and look to the experiences of the private sector and other public agencies for guidance.**

**DSI 20: WHAT IS THE APPROPRIATE  
ROLE OF THE NRC IN THE  
DEVELOPMENT AND  
IMPLEMENTATION OF POLICIES  
ON INTERNATIONAL NUCLEAR  
MATTERS?**

## **DSI 20 COMMISSION'S PRELIMINARY VIEWS**

- It is desirable for NRC to conduct international activities of importance and benefit to its domestic mission or U.S. national interests
- Under this approach the agency would:
  - Participate in international policy and priority formulation
  - Perform its current role in export-import licensing and related matters
  - Perform its current and prospective role in treaty implementation
  - Participate in exchange activities of benefit to its domestic responsibilities or U.S. national interests, and
  - Provide a wide but carefully selected range of safety and safeguards assistance

## **DSI 20 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- NRC will examine the budget and priority of individual activities and develop a plan, with criteria, for prioritizing NRC's international activities, including research, to assist the Commission in determining appropriate expansions or reductions of programs, depending on future budget constraints.
- Since NRC is licensee-fee based, the primacy of international activities to NRC's mission will be an important consideration.

## **DSI 20 SIGNIFICANT COMMENTS**

- **Most commenters support the Commission's preliminary view (Option 4).**
- **Several commenters noted the safety benefits resulting from NRC's international activities.**
- **Several commenters suggested that increased coordination of safety assistance would improve effectiveness and efficiency.**
- **State commenters supported Option 3.**
- **Several commenters supported Option 5.**

**DSI 21: IN MAKING DECISIONS ABOUT  
WHAT ACTIVITIES THE NRC  
SHOULD PERFORM IN SUPPORT  
OF ITS MISSION, TO WHAT  
EXTENT SHOULD FEES BE  
CONSIDERED?**

## **DSI 21 COMMISSION'S PRELIMINARY VIEWS**

- Programmatic decisions in response to NRC mandates will not be driven by fees and should be based on their contribution to public health and safety.
- Continue agency current approach whereby applicants and licensees continue to pay for approximately 100 percent of the appropriated budget authority. Reimbursable agreements would be used to fund non-mandated activities.
  - FTE consideration - support removing FTEs associated with reimbursable work from the NRC ceiling.

## **DSI 21 SIGNIFICANT COMMENTS**

- **There was general support for Option 2 and Funding Mechanism 2.**
- **Several industry commenters supported Funding Mechanism 1 and the use of reimbursable agreements to avoid costs that do not benefit NRC licensees.**
- **Several State commenters supported assessment of fees to Federal agencies for specific services (Funding Mechanism 3).**
- **Several commenters noted that fee increases to licensees will be the result of early reactor shutdown and decommissioning, and as more states become Agreement States.**
- **Two commenters supported Option 4.**

**DSI 22: WHAT SHOULD BE THE FUTURE  
ROLE AND SCOPE OF NRC'S  
RESEARCH PROGRAM?**

## **DSI 22 COMMISSION'S PRELIMINARY VIEWS**

- Continue the research program which should include elements of both confirmatory and exploratory research (Option 4), balanced in such a way that both current as well as potentially emerging issues are being addressed
- The Office of Research in consultation with the other program offices should develop criteria for determining Core research capabilities (Option 5) for Commission approval prior to going forward

## **DSI 22 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- **The staff should continue to support the Educational Grant Program (Option 6), but this program should be re-evaluated at least every two years**
- **The staff should continue to support active participation in International Safety Programs (Option 7) which should be prioritized and appropriately integrated with NRC's research efforts and also considered in the establishment and maintenance of Core research capability**

## **DSI 22 COMMISSION'S PRELIMINARY VIEWS (CONT.)**

- Addressing a number of specific questions raised in the DSI paper, especially under B. Technical Expertise (page 12) and under III. Discussion of the Direction-Setting Issue (page 16)

## **DSI 22 SIGNIFICANT COMMENTS**

- There was general agreement that NRC should continue to support a research program.
- One commenter suggested a more aggressive research program is appropriate.
- Several industry commenters suggested cooperative research with industry as an option that should also be considered.
- A number of commenters raised concerns about the lack of openness of the NRC's research program.

# **DSI 23: HOW CAN NRC ENHANCE REGULATORY EXCELLENCE THROUGH MAINTENANCE OF REGULATORY STANDARDS, RULES, AND REQUIREMENTS?**

## **DSI 23 COMMISSION'S PRELIMINARY VIEWS**

- NRC should develop and implement strategies designed to improve its own internal performance and proactively pursue making its people and processes function with a goal of excellence
- A more proactive approach to improvement should be broadly applied to all NRC activities in support of NRC's mission

## **DSI 23 SIGNIFICANT COMMENTS**

- **Comments reflected broad support for NRC to take a more proactive approach to improve its regulatory effectiveness with a goal of excellence (Option 2).**
- **Considerable range of comments on the focus, priority, process and timing of actions which would be included in a proactive approach.**
  - **Use of Risk Insights vs Deregulation**
  - **Streamlining and Efficiency of Actions vs Safety Vigilance**
- **Activities should include a broad range of areas.**
- **Have another Federal agency review NRC's processes.**

**DSI 24: WHAT SHOULD BE NRC'S  
STRATEGY FOR REGULATING  
DECOMMISSIONING ACTIVITIES  
AT POWER REACTOR SITES?**

## **DSI 24 COMMISSION'S PRELIMINARY VIEWS**

- Continue the current direction and approach, is the recommended option. Implementation guidance in pursuing this option should be expanded to explore more innovative approaches in line with the current Commission strategy in this area.
- In pursuing the current pace of rulemaking, the staff should consider new and innovative regulatory approaches. Examples of possible approaches that might be considered are:
  - Transfer of nuclear power plants to Agreement State control after fuel has been put into dry storage or has been removed from the Part 50 site.

## **DSI 24 COMMISSION PRELIMINARY VIEWS (CONT.)**

- Placing a resident site inspector during all phases of decommissioning, only during specific phases of decommissioning, or not at all.**
- Having NRC take an enhanced performance-oriented approach by reducing oversight and performing a radiological assessment of the site when it is ready to be released.**

## **DSI 24 SIGNIFICANT COMMENTS**

- Little commenter support for Option 1.
- Strong support for Option 2.
- While few commenters supported Option 3, one group of commenters supported Option 3 and suggested that NRC slowdown the current rulemaking for site release criteria.
- Several commenters raised questions related to the impacts of deregulation on decommissioning funding.

# **BACKUP SLIDES**

# **STAKEHOLDER INTERACTIONS**

<b><u>Date</u></b>	<b><u>Activities</u></b>
<b>September 1996</b>	<ul style="list-style-type: none"><li>– Press Release</li><li>– Documents Distributed</li><li>– Agency-Wide Announcement</li><li>– Initial Mailing to External Stakeholders</li><li>– Annual Agreement State Regulators' Conference</li></ul>
<b>October 1996</b>	<ul style="list-style-type: none"><li>– Steering Committee Meetings with NRC Managers</li></ul>

# **STAKEHOLDER INTERACTIONS (CONT.)**

<b><u>Date</u></b>	<b><u>Activities</u></b>
<b>October 1996</b>	<ul style="list-style-type: none"><li>– Regional Meetings with NRC Staff</li><li>– Federal Register Notice</li><li>– Agency Partnership Briefing</li><li>– ACRS Briefing</li><li>– Mailing to External Stakeholders</li><li>– 3 Press Releases for Stakeholder Conferences</li><li>– Annual State Liaison Officers Meeting</li><li>– ACNW Briefing</li><li>– Stakeholder Meeting, Washington, DC</li></ul>

## **STAKEHOLDER INTERACTIONS (CONT.)**

<b><u>Date</u></b>	<b><u>Activities</u></b>
<b>October 31-</b>	
<b>November 1, 1996</b>	<b>– Stakeholder Meeting, Colorado Springs, Colorado</b>
<b>November 1996</b>	<b>– Stakeholder Meeting, Chicago, Illinois</b>
<b>December 1996</b>	<b>– Comment Period Ends</b>

# **STAKEHOLDER MEETING PROGRAM**

## **AGENDA**

### **THURSDAY**

**8:00-9:00 am**

**Opening Remarks**

**9:15-11:30 am**

**STRATEGIC ARENA: Building Public  
Trust and Confidence**

**DSI-14  
DSI-13  
DSI-23**

**1:00-4:30 pm**

**STRATEGIC ARENA: Assuring the  
Safe Use and Handling of Nuclear  
Materials**

**DSI-2  
DSI-4  
DSI-7**

**1:00-2:30 pm**

**STRATEGIC ARENA: Providing  
Research Expertise**

**DSI-22**

**2:45-4:30 pm**

**STRATEGIC ARENA: Supporting  
NRC Domestic Mission and National  
Objectives in the International Area**

**DSI-20**

# **STAKEHOLDER MEETING PROGRAM AGENDA**

## **FRIDAY**

**8:00-11:30 am**

**STRATEGIC ARENA: Assuring Safe  
Operation of Nuclear Reactors**

**DSI-10  
DSI-11  
DSI-12  
DSI-24**

**1:00-4:30 pm**

**STRATEGIC ARENA: Assuring Safe  
Management of Nuclear Waste**

**DSI-5  
DSI-6  
DSI-9**

**4:30-5:00 pm**

**Closing/Wrap-Up**

**1:00-2:30 pm**

**STRATEGIC ARENA: Managing  
NRC Finances**

**DSI-21**

## **DSI 2 OPTIONS**

**OPTION 1: SUPPORT BROAD RESPONSIBILITY  
FOR NRC REGULATION OF DOE**

**OPTION 2: SUPPORT BROAD RESPONSIBILITY  
FOR REGULATING CERTAIN TYPES OF  
DOE FACILITIES**

**OPTION 3: OPPOSE BROAD NRC RESPONSIBILITY  
FOR REGULATING DOE**

**OPTION 4: TAKE NO POSITION ON BROAD NRC  
RESPONSIBILITY FOR DOE FACILITIES**

## **DSI 4 OPTIONS**

- Option 1: Turn the Agreement States Program Over to the Environmental Protection Agency**
- Option 2: Strongly Encourage States to Become Agreement States**
- Option 3: Continue the Current Agreement States Program, Including Adopting Current Initiatives**
- Option 4: Treat Agreement States as Co-Regulators**
- Option 5: Devolve Regulation of Atomic Energy Act Section 274 Materials to the States**

## **DSI 5 OPTIONS**

- OPTION 1: Assume a Greater Leadership Role**
- OPTION 2: Assume a Strong Regulatory Role in  
the National LLW Program**
- OPTION 3: Retain Current Program**
- OPTION 4: Recognize Progress and Reduce  
Program**
- OPTION 5: Transfer LLW Program to EPA**
- OPTION 6: Accept Assured Long-Term Storage**

## **DSI 6 OPTIONS**

- Option 1: Approach Congress and the Administration to Refocus the National Program**
- Option 2: Reduce Uncertainty by Modifying NRC's Program**
- Option 3: Maintain NRC's Existing HLW Repository Program**
- Option 4: Take a minimal approach to NRC's HLW Repository Program**
- Option 5: Take a Position on the Storage of Spent Fuel**

## **DSI 7 OPTIONS**

- OPTION 1: INCREASE REGULATORY  
RESPONSIBILITY WITH ADDITION OF  
X-RAY, ACCELERATORS, AND NARM**
- OPTION 2: CONTINUE ONGOING PROGRAM  
(WITH IMPROVEMENTS)**
- OPTION 3: DECREASE OVERSIGHT OF LOW-  
RISK ACTIVITIES WITH CONTINUED  
EMPHASIS OF HIGH-RISK ACTIVITIES**

## **DSI 7 OPTIONS (CONT.)**

**OPTION 4: DISCONTINUE REGULATION OF ALL MEDICAL ACTIVITIES EXCEPT NRC OVERSIGHT OF DEVICES AND MANUFACTURERS (NATIONAL ACADEMY OF SCIENCES RECOMMENDATION)**

**OPTION 5: DISCONTINUE MATERIALS PROGRAM**

# **DSI 9 OPTIONS**

**OPTION 1: CONTINUE EXISTING PROGRAM**

**OPTION 2: CHANGE THE DECOMMISSIONING  
REVIEW PROCESS**

**OPTION 3: CHANGE RESIDUAL CONTAMINATION  
CRITERIA AND REVIEW STANDARDS**

**OPTION 4: ADOPT THE U.S. ENVIRONMENTAL  
PROTECTION AGENCY SUPERFUND  
APPROACH**

**OPTION 5: REGULATE SOURCE MATERIAL  
CONSISTENTLY WITH NATURALLY  
OCCURRING AND ACCELERATOR-  
PRODUCED RADIOACTIVE MATERIALS**

## **DSI 9 OPTIONS (CONT.)**

- OPTION 6: FOCUS ON DECOMMISSIONING CASES IN WHICH PROGRESS CAN BE MADE; TRANSFER STALLED SITES TO THE ENVIRONMENTAL PROTECTION AGENCY'S SUPERFUND PROGRAM**
- OPTION 7: TAKE AN AGGRESSIVE POSITION TO DEVELOP REGULATORY FRAMEWORKS FOR LOWER COST DECOMMISSIONING WASTE DISPOSAL OPTIONS**
- OPTION 8: DEVELOP A STRONG LITIGATIVE STRATEGY**
- OPTION 9: SEEK SUPERFUND AUTHORITY**

## **DSI 10 OPTIONS**

- **Reassess-Reprioritize**
- **Sustained Responsiveness**
- **Refocus**
- **Single Solution**

# **DSI 11 OPTIONS**

- OPTION 1: PURSUE MORE AGGRESSIVELY  
CURRENT PROGRAM DIRECTION AND  
SEEK NEW APPROACHES**
- OPTION 2: REVERSE DIRECTION OR PROCEED  
MORE SLOWLY IN IMPLEMENTING  
CURRENT APPROACHES**
- OPTION 3: CONTINUE CURRENT DIRECTION AND  
APPROACHES**

# **DSI 12 OPTIONS**

**OPTION 1: CONTINUE CURRENT PROCESS**

**OPTION 2: MORE RIGOROUSLY ASSESS  
RELATIONSHIP TO PUBLIC HEALTH  
AND SAFETY**

**OPTION 3: PERFORM A COMPREHENSIVE  
ASSESSMENT OF NRC REGULATORY  
APPROACHES**

**OPTION 4: CONSIDER RISK-INFORMED,  
PERFORMANCE-BASED APPROACHES  
PRIMARILY IN RESPONSE TO  
STAKEHOLDER INITIATIVES**

## **DSI 13 OPTIONS**

- **CONTINUE THE CURRENT PROGRAM**
- **EXPAND THE ROLE OF INDUSTRY**
- **INCREASE ACCREDITATION AND CERTIFICATION OF LICENSEE ACTIVITIES**
- **INCREASE COOPERATION WITH INDUSTRY AND PROFESSIONAL GROUPS**
- **USE A “DESIGNATED INDUSTRY REPRESENTATIVE”**

## **DSI 14 OPTIONS**

**OPTION 1: CONTINUE EXISTING APPROACH**

**OPTION 1a: FOCUS ON MAXIMIZING  
EFFECTIVENESS AND ECONOMY**

**OPTION 2: PLACE A PRIORITY ON EARLY  
IDENTIFICATION OF PUBLIC  
CONCERNS AND METHODS FOR  
PUBLIC INTERACTION**

**OPTION 3: PLACE A PRIORITY ON EXPANDING  
GENERAL PUBLIC OUTREACH**

## **DSI 20 OPTIONS**

- **SEEK TO REDUCE NRC'S INTERNATIONAL ROLE TO A MINIMUM**
- **PERFORM NRC'S STATUTORY ROLE AND LIMIT OTHER INTERNATIONAL ACTIVITY TO A MINIMUM**
- **CONDUCT ACTIVITIES OF BENEFIT TO NRC'S DOMESTIC MISSION**
- **CONDUCT ACTIVITIES OF BENEFIT TO NRC'S DOMESTIC MISSION OR US INTERESTS**
- **EXPAND ACTIVITIES**

# DSI 21 OPTIONS

- Continue existing approach:
  - Not consider fees in making decisions about most activities performed in response to external mandates.
  - Consider fees for all non-mandated activities.
- No consideration of fees for mandated activities:
  - Do not consider fees in making decisions about any activities performed in response to external mandates.
  - Consider fees for all non-mandated activities.

## **DSI 21 OPTIONS (CONT.)**

- **No consideration of fees:**
  - Do not consider fees in making decisions about any activities (mandated or non-mandated).
- **Fee for service:**
  - Consider fees in making decisions about all activities performed.

## **DSI 21 SECOND ISSUE**

- **Second issue to be addressed independent of which of the four options chosen is the question of how to recover NRC costs in a fair and equitable manner. That is:**
  - **What funding mechanisms should the NRC pursue, in addition to annual appropriations with fee recovery, to fund activities that are not required to be funded through appropriations, for example, certain international activities?**
  - **In performing reimbursable work, how should NRC address the full-time equivalent (FTE) constraints that limit the number of NRC staff?**

# **DSI 22 OPTIONS**

## **A. Role of NRC's Research Program**

### **Option 1: Discontinue NRC's Research Program**

- Difficulty in anticipating problems and issues**
- Erosion of the staff's technical competence**
- More conservative and likely more contentious technical judgments**

### **Option 2: Conduct Only Confirmatory Research**

- Restriction of the scope of inquiry**
- Lessens NRC's ability to anticipate problems**

## **DSI 22 OPTIONS (CONT.)**

### **Option 3: Conduct Only Exploratory Research**

- Loss of perspective and relevance by not working on real ongoing issues**

### **Option 4: Conduct Both Confirmatory and Exploratory Research**

- Approximates current approach**
- Allows for maintenance of NRC skill base**
- Need to have more flexibility to initiate exploratory programs (i.e., beyond the current approximate 80/20 allocation to confirmatory/exploratory research respectively)**

## **DSI 22 OPTIONS (CONT.)**

### **B. Scope of NRC's Research Program**

#### **Option 5: Maintain Only Core Research Capabilities**

- **Maintain only essential core research capabilities**
- **Narrower technical focus; difficulties in adding to it when need arises**
- **Determine core capability via criteria to be approved by Commission (see examples of such criteria)**

#### **Option 6: Continue to Support The Educational Grant Program**

- **Mechanism to augment exploratory research**
- **Useful benefits for the research program in certain areas**

## **DSI 22 OPTIONS (CONT.)**

### **Option 7: Continue to Actively Participate in International Safety Programs**

- Obtain information/data through foreign cooperative programs**
- Facilitates international consensus on key technical issues**

## **DSI 23 OPTIONS**

- CONTINUE THE CURRENT APPROACH**
- INITIATE A MORE PROACTIVE APPROACH  
TO IMPROVEMENT**

## **DSI 24 OPTIONS**

**OPTION 1: CONTINUE CURRENT DIRECTION AND  
APPROACHES**

**OPTION 2: PURSUE CURRENT DIRECTION AND  
APPROACHES MORE AGGRESSIVELY**

**OPTION 3: PROCEED MORE SLOWLY  
IMPLEMENTING CURRENT DIRECTION  
AND APPROACHES**