

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Title: ALL EMPLOYEES MEETING - PUBLIC MEETING

Location: Rockville, Maryland

Date: Tuesday, September 12, 1995

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ALL EMPLOYEES MEETING

PUBLIC MEETING

Nuclear Regulatory Commission
11555 Rockville Pike
One White Flint North
Rockville, Maryland

Tuesday, September 12, 1995

The Commission met in open session, pursuant to notice, at 1:32 p.m., Shirley A. Jackson, Chairman, presiding.

COMMISSIONERS PRESENT:

SHIRLEY A. JACKSON, Chairman of the Commission
KENNETH C. ROGERS, Member of the Commission

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1 PARTICIPANT:

2 MS. NORRY

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P R O C E E D I N G S

[1:32 p.m.]

1
2
3 MS. NORRY: Good afternoon. Welcome to the
4 afternoon edition of the Fourth Annual All Employees'
5 Meeting. We have Chairman Jackson and Commissioner Rogers
6 with us. After the Chairman's opening remarks, if you want
7 to ask questions, please come to one of the microphones that
8 are placed around the tent; and the regions will be asking
9 questions relayed by Sue Smith and James Heck back there.

10 Now, Chairman Jackson.

11 CHAIRMAN JACKSON: Thank you, Ms. Norry.

12 Good afternoon, ladies and gentlemen.

13 Commissioner Rogers and I are pleased to welcome
14 you to this special meeting of the Commission with the
15 Agency's employees. As the Commission's newest member, I've
16 been looking forward to this meeting for some time as an
17 opportunity to talk directly with the Agency staff and
18 particularly with those of you that I have not had the
19 chance to meet since I have been at the Commission.

20 I'd like to hear your questions and concerns and
21 try to respond to these concerns, as well as to explain my
22 perception of what the future may bring for the NRC.

23 For those of you unfamiliar with the purpose and
24 format of this meeting, I should explain that it has been
25 the Commission's practice in recent years to meet with its

1 employees about once annually, usually in the summer or
2 early fall, to enable employees to become better acquainted
3 with newly appointed commissioners and to facilitate
4 communicate between the commissioners and individual members
5 of the staff.

6 Commissioner Rogers and I, following my brief
7 opening remarks, will entertain questions from NRC employees
8 here on The Green as well as those of you from our regional
9 and field offices who are connected to us by open telephone
10 lines. Since we could not accommodate all NRC employees in
11 this area at one time, we held the first session this
12 morning at 10:30 a.m.

13 I also would like to acknowledge and welcome
14 members of the public and any representatives of the news
15 media who may be here today.

16 Although the Commission recognizes that you may
17 also have questions that you would like to address to the
18 Commission, we would ask you not to do so at this session
19 today so that the Commission and its employees can
20 communicate with each other as we intended when we scheduled
21 this special meeting.

22 Before I turn the microphones over to all of you
23 for your questions, I would like to take a few minutes to
24 give you my perspective on some of the important issues that
25 we face and on the direction that I think the Agency needs

1 to take in the immediate future.

2 Although I have been chairman of the NRC for a
3 little more than two months, it has become strikingly clear
4 to me that the external and the internal environment within
5 which the NRC conducts its activities is rapidly changing.
6 Interestingly, none of the changing circumstances that I see
7 are of major significance by themselves, but when taken
8 together pose, in my opinion, as great a challenge as the
9 NRC has had to face at any time since 1975, the year the
10 Agency was created as an independent regulatory body.

11 In light of the strong impact of these changing
12 circumstances on the Agency, it seems inevitable to me that
13 the NRC will have to change as well if we are to carry out
14 our regulatory responsibilities successfully.

15 In fact, if there is one message that I hope each
16 of you takes away from this meeting, it would be that you
17 need to be prepared for change and to welcome the challenges
18 and opportunities that change will almost certainly bring.

19 Some of the changes I'm referring to are already
20 familiar to you. For example, as you already know and as is
21 obvious this afternoon, the Commission at present has only
22 two members -- Commissioner Rogers and myself -- and we have
23 been operating under a procedure in which the authority of
24 the Commission has been delegated to me as chairman. In
25 acting for the Commission, I have consulted and sought the

1 concurrence, and obtained it, of Commissioner Rogers and had
2 the benefit of the advice of the Agency's senior managers.

3 Next month, we expect this unprecedented situation
4 to end when Greta Dicus of Arkansas, if confirmed by the
5 Senate, may assume her responsibilities as an NRC
6 commissioner. I welcome the restoration of a quorum of the
7 commissioners that her appointment will make possible
8 because we need all the minds that we can get; but I would
9 remind you that although we will therefore be returning to
10 the traditional Commission format that all of you are more
11 familiar with and some of you are more comfortable with, Ms.
12 Dicus' appointment and others that follow will in practice
13 mean that we will soon have almost an entirely new
14 Commission whose policy and direction and guidance are going
15 to be difficult to predict. You have not experienced such a
16 sweeping turnover of commissioners since the first
17 Commission took office in 1975.

18 Another change with which you already have ample
19 experience has been with budget constraints that we are
20 learning to live with. The budget targets and the schedule
21 for achieving them set by the President and the Congress
22 have caused the Commission already to make difficult choices
23 that have or will impact nearly every NRC office.

24 I fully expect that we will continue to be subject
25 to these as well as new budget constraints that are likely

1 to be imposed for the next several years.

2 I recognize that this introduces a continuing
3 level of anxiety and uncertainty into your lives and I would
4 prefer to be able to give you some definitive insights that
5 would put your minds at ease in this regard, but all I can
6 do at this time is to urge you to be prepared to adjust to
7 changed circumstances as warranted by events.

8 Budget considerations are also responsible for the
9 current impasse between the President and the Congress over
10 pending appropriations bills, including the NRC's. Even if
11 action on our appropriation, which has passed both the House
12 and the Senate but must be referred to a conference
13 committee, is completed, the situation will remain
14 sufficiently complex that there are possible -- possible --
15 scenarios under which the NRC may have to furlough employees
16 later this fall for an unknown period of time.

17 Fortunately, however, and somewhat more likely,
18 there are also scenarios under which the NRC could continue
19 to operate even if other agencies are required to shut down.

20 At this point in time, I am simply unable to give
21 you any definitive information in this regard; and,
22 therefore, I would urge you to prepare for either
23 eventuality.

24 The changes that I have so far described, all
25 generated within the federal government, are likely to have

1 only a relatively short-term impact on the NRC. Still other
2 changes for the most part in our external environment,
3 meaning outside of the federal government, are more long-
4 term in effect and more significant in terms of their impact
5 on the NRC.

6 The most important of these external changes is
7 occurring in the industries we regulate. The nuclear power
8 industry, for example, at one time not long ago one of the
9 most vigorous and expanding sectors of the economy, has
10 rapidly matured. The Watts Bar plant will certainly be the
11 last reactor operating license application that will be
12 pending Commission review and decision in this century, even
13 though there are only five years left, and no new reactor
14 orders of any kind are expected in the foreseeable future.

15 Moreover, although we have developed a sound and
16 sensible licensing process to handle plant life extension in
17 10 CFR Part 52, and despite meetings with vendors and
18 owners' groups in recent years to discuss generic license
19 renewal programs, we have yet to have filed a license
20 renewal application.

21 As a result, our reactor licensing activities,
22 along with our design certification and severe accident
23 programs, are declining; and our regulatory attention is
24 inexorably being drawn instead toward problems related to
25 the aging of our existing licensed reactors and to

1 decommissioning as reactors that were once leading
2 candidates for license renewal have instead prematurely shut
3 down.

4 Another area of potential concern in the nuclear
5 power industry is the competitive pressures which continue
6 to build and could lead to increased concerns about safety
7 at specific nuclear plants.

8 Although at one time we worried only about the
9 direct competition of traditional electricity utilities with
10 independent power producers and about whether the utilities
11 would make decisions about their nuclear operations from the
12 perspective of competitive advantage rather than safety,
13 what we are now seeing is possible consolidation of
14 utilities themselves through several recent proposed
15 mergers.

16 If this approach becomes a general trend, as it
17 has in other industries, the NRC will need to pay very close
18 attention to ensure that licenses are transferred as
19 necessary to new owners of record and that any new
20 management teams assigned to existing licensed reactors have
21 the requisite safety consciousness and that adequate
22 resources to operate the nuclear facilities safely continue
23 to exist.

24 In the materials area, similar changes are
25 occurring that are likely to have significant impacts on the

1 NRC. For example, later this fall, we expect to receive the
2 results of the National Academy of Sciences study of our
3 program of regulation of the medical uses of radioisotopes.

4 Although the Academy study is just one source of
5 input into our deliberations about whether the NRC should
6 consider -- continue to be active in this area, the decision
7 that we might ultimately be called upon to make in this area
8 could have all the characteristics of a sunset process,
9 something that we have not done before for an entire major
10 program area.

11 In high level waste management, the Congress, as
12 you know, is considering legislation that would for the
13 first time place greater emphasis on the development of a
14 centralized interim storage facility as opposed to the
15 permanent repository under characterization and possible
16 development at Yucca Mountain in Nevada.

17 The Commission has prepared testimony on this
18 legislative proposal in which we take the view that we agree
19 with the fundamental approach of an integrated waste
20 management system that's embodied in the proposed
21 legislation, but we continue to believe that deep geologic
22 disposal is a sound and technically feasible solution to the
23 problem of high level radioactive waste storage and as such
24 is still an appropriate end game, as it were.

25 As some of you know, I visited the Yucca Mountain

1 site not long ago and saw first-hand the tunnel and the
2 alcoves that are being carved out of the mountain for the
3 experimental studies facility of the DOE within the tunnel.
4 Of course, the Department of Energy still confronts many
5 challenges before site characterization can be completed.

6 Two other bills before Congress are directed at
7 streamlining and defining future missions of the DOE
8 National Laboratories. Although the Commission has not
9 sought an expansion of our regulatory authority over the
10 National Labs, we have informed the Congress that we will
11 fulfill whatever mission the Congress decides to assign to
12 us. This, plus the added responsibility we already have of
13 certifying the U.S. Enrichment Corporation's operations,
14 pose significant new challenges to us that we simply must be
15 prepared to address.

16 These are only some of the changes and challenges
17 that are likely to affect us, as I see them. As indicated
18 earlier, these changes taken together could be seriously
19 disruptive to the NRC if we are unprepared in advance to
20 deal with them; but since I view challenges as opportunities
21 rather than problems, I would prefer to address them
22 comprehensively and in advance rather than to react
23 piecemeal to their effect on the NRC as they occur.

24 That in fact is the rationale for my strategic
25 assessment and rebaselining initiative that I recently

1 announced and have asked the staff to complete the first
2 phase of by the end of the year. In my mind, with the world
3 changing so rapidly around us, such a course is prudent in
4 order to permit us to take a systematic look at where we as
5 an Agency are now and where we should be in the future.

6 Unfortunately, I think there has been some fairly
7 widespread misunderstanding of the purpose of this
8 initiative and how it differs from other actions and reports
9 that have been prepared in response to the National
10 Performance Review and to the Congressional reductions in
11 our budget, misunderstandings which I would like to clarify
12 now, if possible.

13 First, I want to emphasize that unlike the NPR
14 Phase I and Phase I reviews, my strategic assessment and
15 rebaselining initiative does not have as its primary
16 objective the achievement of a preferred outcome. In other
17 words, I have not asked the staff to conduct this assessment
18 rebaselining effort in order to reduce FTE levels or to
19 eliminate programs or activities, although it is possible
20 that later in the process the rebaselining phases may have
21 this effect. Rather, I have asked the staff to look at what
22 we are doing from a wider perspective than we have used in
23 recent years in order to provide better input into the NRC's
24 planning process.

25 The first phase of the initiative, the Strategic

1 Assessment, involves identifying and examining the sources
2 of the mandates that make up our regulatory mission -- the
3 statutes, Executive Branch directives, and Commission
4 decisions that govern what we do -- so that we can
5 establish, indeed reestablish, a mutual understanding of
6 what our mission is, what is required of us.

7 Also included in this phase is a process of
8 looking at agency activities to determine whether they are
9 being conducted in response to a specific mandate or whether
10 these activities have some other rationale for their
11 existence, and indeed whether there are areas where we
12 should have ongoing programs to implement a specific mission
13 but do not.

14 This phase, as the title implies, essentially is
15 an environmental survey, a review, a categorization and an
16 assessment, but it will not address whether programs should
17 continue or what resource levels should be assigned to them,
18 which are traditionally and more appropriately addressed in
19 the next phase, rebaselining and strategic planning.

20 The first phase provides input to the follow-on
21 phases and ultimately to the budget and human resources
22 planning, which is the fourth and final phase of this
23 initiative. With respect to the latter two phases, I have
24 suggested the incorporation into a single strategic plan of
25 the human resources plan and the information technology

1 strategic plan which will provide the foundation for the
2 Agency five-year plan and the yearly budget process.

3 I believe that this approach is necessary to meet
4 the challenges we face and to guide our activities and
5 decisionmaking in the future.

6 I would also like to acknowledge partnering
7 efforts among all NRC employees and to express my support
8 for the concepts and ideals embodied in such.

9 Now I would like to turn this meeting over to our
10 employees. I would ask each of you who wishes to ask a
11 question to use one of the microphones available so that
12 everyone can hear your question. Please feel free to direct
13 your question to me or to Commissioner Rogers or to both of
14 us.

15 I'll take the first question, please.

16 This is a quiet group.

17 QUESTION FROM THE FLOOR: Chairman Jackson, this
18 is a question from Region IV.

19 At what point do you expect that labor should be
20 brought on-board as a full partner to both your rebaselining
21 initiative and those contained in SECY 95-175?

22 CHAIRMAN JACKSON: Well, if and when rebaselining
23 has impact for people's jobs specifically, then in fact
24 those consequences will be discussed through the
25 partnerships that have been established for dealing with

1 those.

2 As I said earlier, there is no predetermined
3 conclusion here in terms of specific job assignments, but as
4 I said, if and when that occurs, then obviously the Agency
5 has a responsibility to deal with those through the various
6 mechanisms that exist for doing that.

7 Are there other questions? Yes?

8 QUESTION FROM THE FLOOR: Chairman Jackson, this
9 is another question from Region IV concerning rebaselining.
10 What methods, if any, do you expect to use to solicit
11 employee input for your efforts to rebaseline our
12 organization?

13 CHAIRMAN JACKSON: I have charged the steering
14 committee with developing mechanisms to ensure that as wide
15 an input is gotten from our employees as possible, because
16 in the end, the employees are the ones who will be living
17 with whatever the plan is that flows from this activity as
18 well as the consequences of any rebaselining.

19 In terms of giving you a specific answer this
20 afternoon, I'm not going to do that because that, in fact,
21 is part of the assignment of the group that has been charged
22 with carrying that out, but it is an important assignment.

23 Other questions?

24 This is going to be easy today.

25 QUESTION FROM THE FLOOR: Chairman Jackson, could

1 we have a brief review of the questions and answers from
2 this morning.

3 CHAIRMAN JACKSON: Oh, you would like me to give
4 you a total reiteration. Well, I was asked what I thought
5 of the French nuclear test, and I said that since we are not
6 involved with nuclear weapons oversight, what my views were
7 were not relevant to a meeting since we're a civil and
8 civilian uses of nuclear energy organization. I was asked a
9 number of questions along the lines of the few you've heard
10 so far.

11 We were asked a question of our views relative to
12 the role of information technology in the Agency's
13 activities, and I can give you my part of the answer.
14 Commissioner Rogers, who has had very much of an interest in
15 this area, can give you his part of the answer.

16 My perspective is that obviously when you have an
17 Agency like the NRC where the basis of what we do has a very
18 strong technical base, it's a very analytic set of
19 activities both from the engineering technical side as well
20 as from the legal side, then that naturally suggests that in
21 that part of the work, there is an important role for the
22 use of information technology and it is important that our
23 people, in fact, are well up to date and are familiar with
24 what the leading edge of the technology is and how it can be
25 used. But it's equally true that in more of the

1 administrative processes that characterize what we do on a
2 day to day basis, that there are a number of opportunities
3 for the use of information technology.

4 I cited this morning the business process
5 reengineering activity that's going on in the materials
6 licensing area, and in fact I think the questioner brought
7 that into the question as an example of an area where there
8 is a lot of opportunity. But the real point is that when
9 one considers the use of information technology in what we
10 do, it's very important that it be user need based, that we
11 understand what it is that relates to our carrying out our
12 mission and the various aspects of our mission, and that we
13 then have the use of information technology responsive to
14 that.

15 Now there is an element of education in terms of
16 our own people that's critical in order for people to
17 appreciate what the capabilities are, but again I'm one who
18 spent the bulk of my career in the information services,
19 information technology arena. I spent most of my career, in
20 fact, at AT&T, at Bell Labs, and, in fact, my work was
21 research that undergirded and in fact the development of
22 products for the use and movement of information. But what
23 I come away from that with is the very strong understanding
24 that technology in and of itself means nothing; it is to
25 what end that it's used; that any company that develops

1 information technology products or systems understands that.
2 I myself am a scientist by training and have used
3 "information technology" my whole career. But again, we
4 have to be clear on what the use is to which we want to put
5 that technology and I think it has to be a constant back and
6 forth.

7 Commissioner Rogers may have something he wishes
8 to add.

9 COMMISSIONER ROGERS: Yes. I think that it's
10 particularly appropriate that we review at this time that we
11 are looking at the future of the Agency, what it is we do
12 and what it is we want to accomplish first before we try to
13 decide what the technology is that we want to adopt, that it
14 is very important that the technology play a supportive
15 role, not a leading role in carrying out the work of the
16 Agency.

17 I didn't use the words this morning, but it did
18 occur to me in thinking a little bit after our meeting that
19 really what we don't want to do is to automate buggy-whip
20 technology. What we want to do is use information
21 technology in the best way to support what we want to
22 accomplish at NRC; and it seems to me that there are three
23 aspects of that that one has to consider. One is that we
24 must have some mechanism for being alert to what the
25 technological tools are that we have not yet adopted that

1 exist in the community. We have to have some way of being
2 aware of those. We have to have some way of considering
3 them for applications within the Agency itself and testing
4 their utility for our purposes. Then we have to have some
5 way of helping to assist people who could use that
6 technology in actually introducing it into their own work
7 environment.

8 So there are three aspects of information
9 technology advancement in this organization, and it is my
10 impression that we in fact already have those three pieces
11 in place in some way, but I think we must continue to
12 recognize that the technology that can help someone is maybe
13 something that they are not entirely aware of. So we need
14 an outreach program to bring that in, we need a program to
15 sort out those things that look interesting and fun from
16 those things that are really going to be important in
17 carrying out our responsibility, and then some way to help
18 people to adopt those tools in the workplace. I think all
19 of those are really part of what we have been building at
20 NRC, but I think it's particularly appropriate to look at
21 that triad of responsibilities in the context of the
22 baselining project that the Chairman has launched.

23 CHAIRMAN JACKSON: A question was also asked about
24 the possibility of stronger cooperative research programs
25 with those we regulate, and my answer this morning was that

1 there are a number of areas and initiatives where in fact
2 the NRC staff works on technical issues with licensees, and
3 those activities are appropriate. At the same time, given
4 that we are a regulatory body, we have to be sure that we
5 maintain the appropriate arm's-length relationship, and we
6 have a responsibility, which is why we have a statutory
7 office of nuclear regulatory research, to do confirmatory
8 research in areas related to our regulation.

9 I was asked my views on affirmative action, and my
10 answer was that the NRC is, as I said earlier, an Agency
11 who, more than many other agencies of government, has very
12 much a strong technical and analytical base, requires a high
13 level of skill in those areas and overall requires a high
14 level of professionalism from its employees. As such, then
15 the quality of our work force and the quality of the work
16 that people do is the paramount issue.

17 At the same time, I indicated that obviously,
18 given who I am, my background, I feel it is very important
19 as an agency that every person here has the opportunity to
20 contribute to the maximum extent possible, given their own
21 interests, background and potential, and that people
22 obviously get to work in an environment that's free of
23 harassment, et cetera, and that people have opportunities
24 for promotion that are commensurate with the track records
25 they create and with their abilities to do the job.

1 I am sure there are others that I have forgotten,
2 but I think that gives you some sense of the flavor of some
3 of the questions.

4 Are there any other questions from anyone here or
5 from the regions?

6 Yes?

7 QUESTION FROM THE FLOOR: This is a question from
8 Region III. What skills or qualities should an NRC employee
9 focus on to maintain being a quality employee in this
10 changing regulatory environment?

11 CHAIRMAN JACKSON: Well, I think -- well, I hope
12 that the strategic assessment and rebaselining activity will
13 give us a renewed sense of what our missions are and how
14 some aspects of those missions are changing and the fact
15 that there may be needs for different skills mixes or
16 application of different skills. But the best way to be
17 prepared, as it were, is to essentially be very cognizant of
18 your environment, to survey where things are going, and to
19 adopt a life-long learning perspective, and life-long
20 learning has many aspects to it, some of which involve
21 formal education or training, some of which involves
22 informal or self-training, and some of it involves taking as
23 much advantage as possible of career developmental
24 opportunities that exist within the agency, but essentially
25 being proactive in terms of making sure that one tries to

1 continue to grow and stay ahead of the curve.

2 A more specific answer would involve dealing with
3 the Agency managers vis-a-vis what the internal career
4 development processes are. But just from a philosophical
5 perspective, you know the world is changing, you see that
6 what's on our regulatory plate is changing, and one has to
7 try to develop skills that allows one to continue to
8 contribute in optimum ways.

9 COMMISSIONER ROGERS: I would like to just add one
10 or two thoughts on that. One is that we are a very
11 professional agency, and we very much value professional
12 development, professional knowledge. However -- and I'm
13 very much in favor of that and have said so on many
14 occasions -- however, there is one problem that most
15 professionals share, and that is tunnel vision. It is so
16 easy to focus so sharply on what you know and what you
17 understand and what you like to do because you've always
18 done it that the temptation is to begin to not see, to lose
19 your peripheral vision.

20 I think that in every organization, the strength
21 of the organization comes from the ability of people to see
22 how they can reach out a little bit beyond the direct line
23 of sight to other parts of the organization to assist and
24 contribute, that that is one of the strengths of every great
25 organization, and it's one of the very severe deficiencies

1 of organizations that have failed where individuals have
2 only seen their job to be what was most narrowly defined.
3 They may have done that very, very well, but that's all they
4 ever did. And the strength of an organization very often
5 comes about because everyone is willing to think a little
6 bit beyond to the left and to the right, as well as straight
7 ahead, in terms of how they can make their work more
8 meaningful to those that work with them.

9 I might just say that I think one of the lessons
10 that we might have learned from the demise of the Soviet
11 Union was that the whole system was constructed around the
12 central thinking definition of jobs in a very narrow way,
13 and that the system would take care of itself, and people's
14 constant response to questions about their jobs was, well,
15 that's not part of my job, so I don't know anything about
16 it. And I think that the strength of our system and the
17 strength of this organization can come about by knowing just
18 a little bit more about everything than the narrowest
19 definition of your own job.

20 CHAIRMAN JACKSON: Let me also reiterate something
21 that relates to that, but also relates to my earlier
22 remarks.

23 Change is upon us. Many of the questions this
24 morning, not all of which I reiterated, related to the
25 current or the jobs that people have or ones they've done

1 for some period of time.

2 The Agency is changing, but the agency is changing
3 in response to changes in the outside world, with those that
4 we have a mission to provide oversight, regulatory oversight
5 to, and it's changing because some of those missions are
6 changing or expanding and, therefore, it is in fact
7 unrealistic for us to feel that we can hold back change
8 because there is a comfort zone based on what we've already
9 done.

10 So what I'm trying to help us do with the
11 strategic assessment and rebaselining is to try to
12 understand better as an agency what some of those changes
13 are, what they mean, and how we might respond; and, yes, it
14 will have impact in terms of, you know, things we do or
15 perhaps how we do things, but the important thing that will
16 come out of it is for us all to understand how much the
17 external environment is changing and the challenge that
18 presents to each of us personally to try to continue to grow
19 and, as Commissioner Rogers has said, not to operate with
20 tunnel vision or feel that we can stay strictly within a
21 given box, because if we continue to believe that and the
22 world changes, if you're on a certain tectonic plate and
23 that plate moves and you don't know it's going to move,
24 you're going to fall off into the abyss. Since, at least on
25 my watch, I have no intention for that to happen here, then

1 I think we all have to try to work together to move forward
2 and to try to adjust to what is undoubtedly points of
3 discomfort as we go along.

4 Is there another question?

5 QUESTION FROM THE FLOOR: Chairman Jackson, will
6 the NRC's ability to recover its operating expenses by
7 charging license fees save us from drastic budget cutbacks?

8 CHAIRMAN JACKSON: No, because, in fact, our basis
9 for charging licensees fees is based on a budget
10 appropriation. We have to have a budget appropriation to be
11 able to collect our fees. So we do have carryover money
12 that we have been allowed to carry over into FY '96 which
13 would allow us to go on for a certain period of time
14 depending on issues relating to the debt ceiling, but that
15 period of time is on the order of some number of weeks, and
16 we can't just willy-nilly go and say to our licensees, give
17 us the money, because it doesn't work that way. We can't do
18 that in the absence of having an appropriated budget.

19 QUESTION FROM THE FLOOR: There are a number of
20 laws in the Congress that may affect people's desire to
21 leave the government in the near future, especially those
22 who have been in government a long time. I don't know
23 whether you have had a chance to look at the age
24 distribution, but I was wondering if NRC faces some type of
25 risk of losing, you know, sort of a critical mass of

1 technical expertise and wisdom, you know, by the new
2 retirement contributions, if you've looked into that, and
3 whether you perceive that to be a problem that we may be
4 facing.

5 CHAIRMAN JACKSON: All right. Thank you for
6 asking that question.

7 There is always a danger, whenever there are
8 opportunities for people to early-out, as it were, or
9 circumstances change in terms of benefits of employment that
10 might make someone who is eligible to retire think about it
11 sooner rather than later, and there's a continuing challenge
12 for the managers to try to balance that kind of attrition
13 that to some extent is uncontrollable with the right mix and
14 numbers of people that we need to do what we have to do.

15 Again, I don't want to keep making it sound like
16 everything goes back and everything we do relates to
17 strategic assessment and the rebaselining, but in fact
18 that's part of the issue here, is to try to understand how
19 we might be most impacted. We've already come down in head
20 count, in FTE, and we continue to go down and essentially
21 it's through attrition.

22 While we can manage numbers -- well, maybe we may
23 not be able to totally manage numbers because of the kinds
24 of things you mentioned, we have to understand how we
25 balance the work with that and how we balance the skills and

1 maybe even where there may need to be some recruitment in
2 certain areas because of that kind of thing. But until
3 we've done a zero-base bottom-up look and done some
4 comprehensive thinking and planning, then it's hard on an
5 overall basis to think about how to manage that and how to
6 perhaps, you know, use our resources better than we have
7 here now and that we will continue to have even as we have
8 attrition. So all of that plays into it.

9 I guess that's why I wanted to point out again, I
10 mean, a lot of the reductions are things that are being
11 driven on the outside. The issue is how can we respond to
12 it. But I also want people to understand it's not just a
13 budget exercise; it really has to do with looking again at
14 what we do, why we do it, how we do it, what new things we
15 may be asked to do, how we can respond to those, et cetera.
16 But they all play into what people you have to do these jobs
17 because at the NRC, the people are the ball game. I mean,
18 you are the ball game. Thank you.

19 Any other questions? Yes?

20 QUESTION FROM THE FLOOR: This is a question from
21 the Technical Training Center.

22 Will the issue of moving the Technical Training
23 Center be laid to rest soon, and can the TCC expect a
24 management announcement resolving the issue?

25 CHAIRMAN JACKSON: Well, I'm sure you can expect a

1 management announcement resolving the issue, but I'm not
2 going to specifically address timing. There are a lot of
3 aspects to a decision like that, and I'm not really here
4 today to kind of talk in very specific details about that.
5 But I would invite you to follow up, that questioner to
6 follow up with Mr. Taylor or with me if necessary. That's
7 what he's here for. But I'm not trying to beg the question;
8 it's part of a larger discussion.

9 QUESTION FROM THE FLOOR: This is a question from
10 Region III.

11 Is the reorganization which is scheduled to occur
12 in the regions on October 1st in the best interest of NRC
13 considering the potential impact of the rebaselining study?

14 CHAIRMAN JACKSON: Well, obviously if I had been
15 here nine months ago and there was a rebaselining or a
16 strategic -- remember, strategic assessment prefaces
17 rebaselining -- then in general, any decisions that seemed
18 to be unitary would best be treated in a comprehensive way.
19 But I think the managers who made those recommendations for
20 that reorganization have had to think about, and the
21 Commission, the impacts on our programs vis-a-vis reactor
22 licensees and other licensees. So I guess that's the answer
23 I would give you at this point.

24 Any other questions? Yes?

25 QUESTION FROM THE FLOOR: Chairman Jackson, while

1 noting you've only been here a few months, I wonder if you
2 might share with us some of your experiences, and has the
3 staffing, the organization, and how we function met your
4 expectations or have there been a few surprises?

5 CHAIRMAN JACKSON: Well, if there's been any
6 surprise, it's been a pleasant surprise. I'm very impressed
7 with the people I've met here, the responsiveness and
8 helpfulness of the staff to a person coming new to the
9 Agency, particularly one coming in to be chair of the
10 Agency.

11 It's because of that and what I've seen that gives
12 me confidence that whatever changes come and however things
13 play out for us down the line, that we can handle them all
14 and that we'll come through them and still do our jobs in an
15 excellent way. I've seen nothing to give me, you know, any
16 reason to doubt that based on my experience so far, and I've
17 enjoyed getting to meet people, both in the regions as well
18 as here at headquarters.

19 If there are any surprises, it's probably been
20 more from the outside than the inside.

21 Yes?

22 QUESTION FROM THE FLOOR: Chairman Jackson, this
23 morning you answered a question from Region IV on a risk-
24 based approach to safety regulation. Could you summarize
25 your comments for those in this afternoon's session.

1 CHAIRMAN JACKSON: Yes. I had said that I prefer
2 the nomenclature "risk-informed performance-based
3 regulation," that there is some loose use of performance-
4 based regulation and risk-based regulation in an
5 interchangeable way, and they're very different.

6 I think that the reason I used the term "risk-
7 informed" is that in the end, we are an oversight body,
8 standard-setting body for adequate protection of public
9 health and safety, and incorporated within that is a
10 performance-based approach to what we do.

11 However, we are moving to and should move further
12 to developing our capabilities in the area of doing risk
13 assessments, probabilistic risk assessments and in the
14 application of those sorts of assessments in our regulatory
15 programs, both in how we develop regulations as well as how
16 we implement our regulatory program.

17 I draw the distinction because risk and
18 probabilistic analyses allow a better focus on areas of our
19 programs and of our regulations that have the greatest
20 safety significance from a risk perspective, but in the end,
21 there are performance standards that we regulate too, and
22 that's not going to go away and it existed prior to the time
23 that there was this thrust in the risk-based and
24 probabilistic risk assessment area.

25 I also indicated that there are uses that

1 licensees can make of risk assessments from an operational
2 perspective that allows those licensees to focus their
3 resources in ways that make sense for them from a business
4 perspective as long as they satisfy our regulations.

5 There are uses we might make of risk assessments
6 and risk-informed approaches in our regulatory programs and
7 those can be somewhat different and, in fact, there are some
8 differences between what the industry thinks it means and,
9 in fact, the use to which it puts PRAs and the like and the
10 use to which we might put those.

11 I have also indicated to various industry
12 representatives who've met with me that if they want to use
13 it in one way to satisfy our existing requirements, that's
14 one standard; but if, in fact, we are asked or we in fact
15 decide to use it in ways that have to do with changing our
16 regulatory base, then that's another standard. I think
17 there is room to grow in terms of the evolution of the
18 methodology and the evolution of our skills and
19 sophistication in the use of the methodology, and I think
20 that's something we have to work on and continue to work on
21 as we try to move to really understanding where risk is
22 already embodied in what we do and risk assessments are
23 already embodied, but how they can be done in an even more
24 sophisticated and meaningful way.

25 Commissioner Rogers also had some comments this

1 morning. I don't know if you would like to reiterate those.

2 COMMISSIONER ROGERS: Well, I just went a little
3 bit off the topic this morning -- I don't think I'll do that
4 again -- into something else a little bit. But I do think
5 that probabilistic risk assessment is -- it's not a brand
6 new tool, but it's starting to come to a state where it's a
7 more useful tool for regulatory purposes. I think a few
8 years ago, we really were rather uncomfortable with it.
9 We're becoming more comfortable with it.

10 Someone this morning asked a question of the
11 chairman, what she thought of a recent article, I believe,
12 in Nuclear News by Dr. Murley, Tom Murley, on risk-based
13 regulation, and I thought that was -- the very fact that he
14 wrote an article on risk-based regulation I thought was very
15 interesting because it wasn't so long ago that he was really
16 pretty negative on the use of PRA for regulatory purposes.

17 I just might say that I have seen the growth of
18 probabilistic risk assessment by regulators really starting
19 to take off in other countries around the world, and I think
20 that we will see a continued maturation of the use of that
21 technology here in our own work, but we still have a well-
22 established base for other ways of analyzing situations,
23 particularly deterministic calculations, and I think we need
24 to use all the tools that are available to us to do our job
25 in the best possible way, and PRA is just one tool to assist

1 us.

2 I do think the Chairman's emphasis on the
3 distinction between PRA and performance-based regulation is
4 a very important distinction to draw, because I think moving
5 more toward performance-based regulation really is a
6 philosophical move away from purely compliance-based
7 regulation. That's a significant move. That's not just a
8 different technology; it's a different philosophy.

9 PRA, I think, is another tool, a technological
10 tool, but by itself to me does not represent a really basic
11 change in thinking of regulatory philosophy. But moving
12 towards performance-based regulation really is because that
13 is saying that we're going to be focusing much more on
14 outcomes rather than the process that leads to the outcomes,
15 which really was the starting point for regulation many
16 years ago.

17 So I think that this is an important transition
18 that is taking place. I just emphasize the need to try to
19 keep all of these in some balance because our philosophy is
20 changing a bit, the tools we use are changing, and we want
21 to be careful that we not move too quickly to leave behind
22 what were perfectly good ways of analyzing situations and
23 yet we must not be reluctant to take on new ways as well.
24 So it's that balance that's important.

25 CHAIRMAN JACKSON: Let me mention something, since

1 I did mention what I said may be a gap between the use by
2 industry of PRAs and that kind of approach and our use from
3 a regulatory perspective.

4 Essentially, PRAs are models. I mean, they are
5 basically a modelling of risk in some particular situation,
6 and as such, there's more than one such model. So before
7 this so-called gap would be closed, there has to be a little
8 more concurrence on modelling methodology and the models are
9 only as good as the data that goes into the models. So
10 that's another issue. And there are any number of models
11 that have been done, and for us to make use of models that
12 are used out there by those we license and regulate, then
13 there has to be essentially a methodology for review of
14 those models and a consistent one. But that's something
15 that's more detail than I want to go into at the moment
16 anyway, but I thought it was important that you understand
17 where my thinking is along this line.

18 Are there other questions?

19 QUESTION FROM THE FLOOR: This is a question from
20 this morning's session from Region III, and would each of
21 you please answer this.

22 In your opinion, what issue provides the Agency's
23 single biggest challenge and what raises this issue above
24 all the others?

25 CHAIRMAN JACKSON: Well, the Agency's single

1 biggest challenge is change and to remain focused on our
2 real public health and safety mission and what that means
3 even as we face change and assaults that may tend to drive
4 us in one direction or another, but to be sensible about how
5 we respond to change in a way where we are responsive, but
6 we do it where we keep our essential health and safety
7 purpose and focus in mind.

8 I mean, there are any number of technical issues
9 with which we deal which can change depending upon what's
10 going on, but as things change or as those we regulate
11 undergo changes themselves, some of it fundamental change,
12 and as we're pressured to do various things, we want to be
13 responsive, but we want to keep our focus in mind and to do
14 it in a way that makes sense.

15 So no one thing is so important, but taken
16 together, it's a heavy load.

17 COMMISSIONER ROGERS: Well, since I was asked to
18 respond, I will. I think the Chairman's answer is a very
19 good answer. I would say that one can't really just look at
20 one aspect of what drives us and single that out as the most
21 important challenge. However, I do feel that one big
22 uncertainty in my own mind is the full consequences of the
23 necessity of our getting our full budget from licensee fees.
24 I don't think we have seen yet that fully play out. I think
25 we have only seen the beginnings.

1 A few years ago, it acted somewhat as a buffer
2 against budget cuts. We were treated quite well, I think,
3 by the Congress and OMB because we were not a contributor to
4 the deficit; and the way things have been set up, we are
5 never going to be a contributor to the deficit. However,
6 that doesn't -- that's not the end of the story because our
7 fees come from our licensees and our licensees are under
8 great pressures themselves, and one consequence of that is
9 that they would like to see those fees go down, and the
10 clearest way to have the fees go down is to have the NRC
11 budget go down.

12 So I don't think we've seen the full play of that
13 concern on the part of licensees to reduce the NRC's -- have
14 the NRC's budget reduced so that it will reduce their fees.
15 I think there ultimately will be some kind of a reaction to
16 that that may start to drive things back the other way.

17 So I think that's a dynamic situation that will
18 take some years to fully reveal, but I would say the biggest
19 uncertainty, in my mind, that faces us is related to the
20 consequences of the full fee recovery.

21 CHAIRMAN JACKSON: Are there other questions?

22 Aren't you the same gentleman I liked so much this
23 morning?

24 QUESTION FROM THE FLOOR: Yes, I am.

25 This is a question from the morning session from

1 Region III.

2 Could you elaborate on your projection regarding
3 the future of NRC's involvement in regulating the medical
4 use of byproduct material?

5 CHAIRMAN JACKSON: What I said in response this
6 morning -- maybe this is a consistency check --

7 [Laughter.]

8 CHAIRMAN JACKSON: -- that I know there has been a
9 lot of discussion about whether it's appropriate for the NRC
10 to be involved in that area, and, if so, to what extent. It
11 was partly to that end and to address these questions that
12 the NRC asked the Academy to do a study in that area. I'm
13 one who believes that if we go that far, to ask for that
14 study to be done, that we should see what the study reveals
15 as part of the input to the process, and we expect the
16 results of that study to be forthcoming later this year.
17 When that occurs, we in fact will have a public meeting, a
18 full public meeting on that issue with a presentation by
19 representatives from the National Academy. Following on
20 that, the Commission will then make some decisions in that
21 area, but at this point I'd like to wait and get the results
22 of that study.

23 Do you have another question?

24 Okay. Are there other questions?

25 [No response.]

1 CHAIRMAN JACKSON: Well, if not, I thank you for
2 coming. I've enjoyed it and I hope you've gotten a little
3 out of it. Thanks.

4 [Applause.]

5 [Whereupon, at 2:35 p.m., the meeting in the
6 above-entitled matter was adjourned.]

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CERTIFICATE

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

TITLE OF MEETING: ALL EMPLOYEES MEETING - PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Tuesday, September 12, 1995

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

Transcriber: *Marilynn Estep*

Reporter: Marilynn Estep