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NUCLEAR REGULATORY COMMISSION

COMMISSION MEETING

BUDGET MARKUP

Room 1141  
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1       PRESENT:     Chairman Joseph M. Hendrie  
2                   Commissioner Peter A. Bradford  
3                   Commissioner Victor Gilinsky  
4                   Commissioner Richard Kennedy

5       PARTICIPANTS:

6                   Learned Barry  
7                   Lee Gossick  
8                   Bruce Cooper  
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P R O C E E D I N G S

CHAIRMAN HENDRIE: Now what is this?

MR. BARRY: That's a recap. The first one is a recap of what we've done over the last several days as a tentative mark. You notice, 145. We didn't really make any change to NPR or Standards. We took some people out of I&E. Tentatively. We didn't do NMSS, Research. You had set aside <sup>items</sup> ~~times~~ to address which are not in the total. And we, in fact, really address all of his reclama.

We took the pay raise out because it wouldn't go on OMB. It will be after the submittal fact. We ~~finetuned~~ the payroll for the mark. When we first do a budget, we just do an average: so many people, \$30,000 <sup>year</sup> per <sub>1</sub>. And once we start performing and adding, we start finetuning it by organization by grade level. Well, in this case it resulted in a 3.1 million reduction.

So the bottom of the line where you see 332, that's really 332 plus the set aside items.

COMMISSIONER KENNEDY: And the set aside items are --

MR. BARRY: Worth about <sup>\$</sup>12<sup>M</sup>. That's the ERTF, <sup>BWR</sup> NRU, <sub>1</sub> reflood.

The second piece of paper I have put in front of you is simply a personnel recap. It starts you back with the '77 budget that was shown in the '78 submission. The revision we made this year as a result of having to put some additional



1 resources into waste management, to increase professional  
2 service by a couple, and I believe there were a couple of  
3 other adjustments.

4 And then the '78 column showed what was in the  
5 original President's budget and what the revised baseline is  
6 now for '78 as a result of the congressional deductions.  
7 And then the tentative mark in '79 as of last week. And  
8 the differences, pluses and minuses.

9 COMMISSIONER KENNEDY: We're in trouble.

10 MR. BARRY: At the risk of being --

11 CHAIRMAN HENDRIE: We seem to have started.

12 MR. BARRY: We haven't started.

13 CHAIRMAN HENDRIE: Is what you have said.

14 COMMISSIONER KENNEDY: Yes, we have.

15 COMMISSIONER KENNEDY: I was just going to comment  
16 that I see on the table --

17 CHAIRMAN HENDRIE: I thought you were noting that  
18 the reporter had started work.

19 COMMISSIONER KENNEDY: I would have. But having  
20 said that I was looking at the calculator, having said that, I  
21 looked up and saw the reporter doing that. And I wondered  
22 what she thought I meant.

23 (Laughter.)

24 COMMISSIONER KENNEDY: Now all that is on the tape.

25 CHAIRMAN HENDRIE: Well, good. That's a



1 clarification, which is helpful.

2 MR. BARRY: Mr. Chairman, before you officially  
3 start, let me motivate you a little bit and show you how  
4 important the task is.

5 Here's a paragraph out of the most recent Budget  
6 Newsletter. This is a little periodical that is sent around  
7 for subscription to all the federal agencies, like Nucleonics  
8 Week, except it is for budget people.

9 CHAIRMAN HENDRIE: Boy, that is an esoteric --

10 MR. BARRY: It says, "Putting together the federal  
11 budget is one of the largest financial exercises undertaken  
12 anywhere in the world. In round numbers it contains a cool  
13 half trillion dollars, over 20 percent of the GNP of the  
14 United States. It is one of the driving forces of the American  
15 economy, with a major impact on prosperity, inflation, unemploy-  
16 ment, and national growth."

17 We don't always appreciate that.

18 MR. BARRY: "This is your baby. You put it together.  
19 You make it run. Top political bosses make the final decisions,  
20 but you prepare the options, develop priority rankings, lay out  
21 objections. Of all the jobs done by government, none requires  
22 greater skill" -- I wish you would keep that in mind.

23 (Laughter.)

24 MR. BARRY: "It takes years to develop the breadth  
25 of understanding and technical mastery" --

1 COMMISSIONER BRADFORD: Read that last sentence  
2 again.

3 MR. BARRY: "Of all the jobs done by" --

4 COMMISSIONER BRADFORD: The one after that.

5 MR. BARRY: "None requires greater skill. It takes  
6 years" --

7 COMMISSIONER BRADFORD: That's the one So long.  
8 (Laughter.)

9 CHAIRMAN HENDRIE: This doesn't mean commissioners,  
10 this means controllers, and it's clearly the prelude to a  
11 request for people.

12 How many do you want?

*Commissioner Kennedy: Or salary.*  
13 ~~MR. BARRY: Salary.~~

14 CHAIRMAN HENDRIE: Or both.

15 MR. BARRY: We're the champions of productivity  
16 and efficiency.

17 CHAIRMAN HENDRIE: Keep it there.

18 Now, we are gathered on the subject of markup.  
19 I believe we have now heard those that need to be heard on  
20 appeals and so on.

21 COMMISSIONER KENNEDY: We've never really addressed  
22 NRR, have we, in terms of any kind of a preliminary mark? I  
23 would think that they might wish to be heard after they hear  
24 what I have to say about their thoughts.

25 CHAIRMAN HENDRIE: I thought we targeted approximately

1 at the --

2 MR. COOPER: At the EDO request.

3 CHAIRMAN HENDRIE: As a tentative mark.

4 COMMISSIONER KENNEDY: All right.

5 COMMISSIONER HENDRIE: And they came back and --

6 MR. COOPER: Wanted generic.

7 COMMISSIONER KENNEDY: Oh, yes.

8 CHAIRMAN HENDRIE: They came back and explained a  
9 little bit about their generic problems, but that was less in  
10 the sense of arguing with us that they need another dozen  
11 people or so, that in response to our request would you come  
12 and just talk to us a little about it, so we understand better  
13 what all is in the technical projects area.

14 Now, because they are first on the list on a recent  
15 sheet passed to us by the controller, we might talk about NRR.  
16 They have at the present time, I believe, 605 authorized slots.

17 MR. BARRY: That little summary sheet there will do  
18 it for you.

19 CHAIRMAN HENDRIE: You may want the decision unit.

20 MR. BARRY: That will do it. There's the whole  
21 story right there, in terms of '77, '78.

22 CHAIRMAN HENDRIE: Well, let me read from my notes  
23 and people who have it ready at hand can see if it matches  
24 what is on the passout. The present strength is 605. The '78  
25 level 610. The supplement will not include NRR people. The



1 '79 EDO mark is at 645. Or plus 35 people. The increments  
2 come in operating reactors -- let's see, plus 10, plus 1, minus  
3 3, sounds like plus 8. Eight people in case work, a batch of  
4 people in the technical projects category, a drop in people in  
5 advanced reactors, hold steady in standards assistance and  
6 training and correspondence.

7 NRR has asked for some extra people in the operating  
8 areas to get ready to receive the additional volume of items  
9 resulting from the increased number of inspectors. I think  
10 that -- I suspect there's merit in the thought but I don't  
11 know -- I wouldn't be inclined to support the additional people  
12 and on balance I'd be inclined to stay at the EDO mark and not  
13 to propose any increases.

14 It won't surprise me if there is some resistance  
15 on up the line as the budget goes forward with the increment  
16 as a matter of fact.

17 COMMISSIONER GILINSKY: I certainly wouldn't go  
18 over.

19 COMMISSIONER KENNEDY: Over the EDO mark? I  
20 wouldn't even get there. I have difficulty in understanding  
21 and even though I heard them I have difficulty in understand-  
22 ing why casework increases when the number of reactors to be  
23 dealt with continues to decline. That's number one.

24 Number two, technical projects discussion, I find  
25 esoteri- in the extreme; just as I have for the last two years.

1 Because it still says that, in fact, it's the residual. And  
2 I think my colleague, Mr. Gilinsky, well points out that it is  
3 a very large cushion on which to draw to support the rest of  
4 the organization, one way or another. I just could not find a  
5 hard justification for that.

6 I would be inclined to take, I think the number was  
7 8 increasing in casework, dropping those and some number -- I  
8 guess it would have to be an arbitrary one.

9 COMMISSIONER GILINSKY: Probably 630 or something.

10 COMMISSIONER KENNEDY: Coming down to something  
11 like 630.

12 CHAIRMAN HENDRIE: A long *way*.

13 COMMISSIONER KENNEDY: Which is still an increment  
14 of 20 people.

15 CHAIRMAN HENDRIE: Let me make sort of a counter-  
16 proposal but one that has some of those in mind.

17 Why don't we knock 5 out of the casework, knock it  
18 down to 640 anticipating that the Commission's overall request  
19 is rather likely not to go ultimately through the appropri-  
20 ations process with the full number of slots and dollars, and  
21 that there will be a future, again, reapportionment that will  
22 likely trim that number by the time we get to '79.

23 COMMISSIONER BRADFORD: Are you left, then, with a  
24 number that you can defend with some vigor?

25 COMMISSIONER KENNEDY: 640.

1 CHAIRMAN HENDRIE: It's below the budget review  
2 committee's cut. Below the EDO cut, which came in at some-  
3 thing like, what, 643 and 645. I think that is holding on  
4 pretty tightly.

5 COMMISSIONER KENNEDY: What was the budget review  
6 committee's --

7 MR. BARRY: 643.

8 COMMISSIONER KENNEDY: 643.

9 COMMISSIONER BRADFORD: I don't have enough of a  
10 feel for the material yet to relate numbers to tasks very well.  
11 I would just be concerned that as the thing goes on up the line,  
12 you always begin with a number that you can be completely  
13 comfortable with so that there isn't -- you don't get into a  
14 situation where the numbers that you do feel more firmly about  
15 have their credibility <sup>undetermined</sup> ~~undefined~~ by a number that is weak.

16 COMMISSIONER KENNEDY: Is it not true that most of  
17 these people in that 145 out of whatever it is, 222, in tech-  
18 nical projects are really working a fair portion of their time  
19 on casework.

20 The answer seems to be in all our discussion, yes.  
21 it is true.

22 COMMISSIONER GILINSKY: That's time rather than --

23 COMMISSIONER KENNEDY: Of course. It's not bodies,  
24 it's man-years. But that's what we are dealing with is man-  
25 years.



1 CHAIRMAN HENDRIE: You really -- if one lumps  
2 together --

3 MR. COOPER: If you put together casework and  
4 tech projects, you've got --

5 COMMISSIONER KENNEDY: Two-thirds.

6 MR. COOPER: 30 people working together.

7 CHAIRMAN HENDRIE: Even that isn't the right cut  
8 because some of the tech project work is in operating reactors  
9 division.

10 MR. BARRY: Oh, yes. But what I am saying -- what  
11 they're trying to say here is that's true, while the people  
12 are working on casework and operating reactors, their estimate  
13 is that this number of man-years is going to be devoted to the  
14 tech project work. Our problem is, is how scientific is that?

15 COMMISSIONER GILINSKY: What is the increase in  
16 operating reactors?

17 MR. GOSSICK: 10.

18 CHAIRMAN HENDRIE: No, total.

19 MR. BARRY: 64 to 72.

20 COMMISSIONER KENNEDY: It's 73 plus 37 plus 32;  
21 it's 142.

22 MR. BARRY: No. In '79, it goes <sup>from</sup> 72 operating  
23 reactors to 80

24 COMMISSIONER GILINSKY: No, no, the increase in  
25 people working on them.

1 COMMISSIONER KENNEDY: There's 142 involved.

2 MR. BARRY: Commissioner, increase from what?

3 COMMISSIONER GILINSKY: I'm sorry.. '78 to '79.

4 MR. GOSSICK: It's a total of 8. 10 more in  
5 operating routine. One more in nonroutine operating and minus  
6 three in reevaluations. That makes 8.

7 COMMISSIONER KENNEDY: That troubles me very much.

8 CHAIRMAN HENDRIE: It's not inappropriate. You are  
9 getting a few more operating reactors coming along.

10 COMMISSIONER GILINSKY: Suppose you have 10 extra  
11 for that; we give them an extra 10.

12 MR. BARRY: One place we did zap him a little too  
13 hard was in advanced reactors. Remember, we cut him from 22  
14 down to 8.

15 CHAIRMAN HENDRIE: I'm going to come in with --  
16 after we decide on a total number, why I'm going to recommend  
17 to you that we advise NRR that we believe that the proposed  
18 number of 8 people in '79 in advanced reactors is too deep a  
19 cut into staff experienced in that area and that they ought to  
20 maintain at least 10 and maybe 12. What that means is they  
21 have got to program down on some of the areas and keep a little  
22 more strength. Because the proposal is to cut from 22 man-years  
23 in '78 to 8 man-years in '79. I just think that is going to  
24 leave us in -- not maintaining sufficient experience.

25 COMMISSIONER GILINSKY: Plus he wanted -- they, of

1 course, coordinating with ERDA.

2 CHAIRMAN HENDRIE: Well, he wanted plus 2 over his  
3 645. And what I am saying is to maintain the strength in that  
4 area, but you don't get it as additional people on top of a  
5 whole; that is what this would amount to then would be to move  
6 2 or 3 or 4 slots that otherwise would have gone to system  
7 safety or project management or even operating reactors, for  
8 that matter, but less likely there.

9 COMMISSIONER KENNEDY: Actually it will come out of  
10 tech projects. Man-years will come out of tech projects.

11 CHAIRMAN HENDRIE: I think that's right. But where  
12 the slots will slide from divisions, why I'd be inclined to  
13 leave that to the office director. But that's a comment to be  
14 made after we settle on a total.

15 Peter, if I thought the numbers we settle upon here  
16 were going to hold all the way up the line, then I think I'd --  
17 then you might want to come down another 10 or something like  
18 that. But in 10 out of 600 why I don't think there's a  
19 credibility -- you know, that you have it if it's 630 and you  
20 don't have it if it is 640, or something like that. It doesn't  
21 strike me --

22 COMMISSIONER KENNEDY: The number that troubles  
23 me is that total of 369. That is the increase.

24 CHAIRMAN HENDRIE: Yes, if I get the right sheet,  
25 it will show right up.



1 COMMISSIONER BRADFORD: There's really only one  
2 place you can make a dent in that.

3 COMMISSIONER KENNEDY: Like 15 percent.

4 COMMISSIONER BRADFORD: Right.

5 CHAIRMAN HENDRIE: Well, we are going to make a  
6 dent on the 365, because we're going to get to I&E in a minute.  
7 I think we're going to not be able to see that many people  
8 there.

9 What do you say to a 640 tentative level for NRR  
10 and let's see if we can run down the offices and then see what  
11 the total is down in the lower righthand corner. And then see  
12 if we want to go back and take it up and down some more.

13 COMMISSIONER KENNEDY: I'll split with you: 635.  
14 I really think it ought to be 630?

15 (Laughter.)

16 COMMISSIONER GILINSKY: 635 --

17 CHAIRMAN HENDRIE: What am I bid?

18 All right, 635.

19 COMMISSIONER KENNEDY: I just really think they're  
20 asking for too much. The growth has been phenomenal in the  
21 last two years.

22 CHAIRMAN HENDRIE: NRR?

23 COMMISSIONER KENNEDY: Yes.

24 MR. COOPER: We cut then down to zero.

25 COMMISSIONER KENNEDY: Well, last year we did.

1 MR. BARRY: Three years ago they went up pretty  
2 hefty. But '77, '78 they went up very little.

3 COMMISSIONER KENNEDY: That's right; it was the  
4 previous year.

5 MR. BARRY: The previous year. But '77, '78 they  
6 got like 5 or 10 people.

7 COMMISSIONER KENNEDY: The workload has continued  
8 to drop. Casework.

9 CHAIRMAN HENDRIE: While the casework's continued  
10 to drop, the other sorts of enterprises --

11 COMMISSIONER KENNEDY: There's a law -- There's  
12 a law of physical principles that applies to that. The work  
13 always expands to cover the number of people available to do  
14 it.

15 COMMISSIONER GILINSKY: I find it hard to get  
16 people --

17 MR. GOSICK: You generally find them there before  
18 you can blink.

19 CHAIRMAN HENDRIE: All right, <sup>635</sup>~~365~~.

20 Now, the dollars, I don't have a problem with the  
21 support dollars at all. How do they compare with '78?

22 MR. BARRY: Not much different and, in fact, at the  
23 end of '77 I <sup>had</sup>~~had~~ to give NRR an additional 700,00 over their  
24 financial plan to complete some of the work that was pretty  
25 essential.

1 COMMISSIONER KENNEDY: That was 37.6, wasn't it.

2 MR. BARRY: Yes. It's on that.

3 COMMISSIONER KENNEDY: In '78?

4 MR. BARRY: That was 37.6, right.

5 It's 39.5 now.

6 CHAIRMAN HENDRIE: It's what?

7 MR. BARRY: It's about ~~about~~ 1.6 million.

8 COMMISSIONER KENNEDY: So it's 39, roughly?

9 MR. BARRY: Yes, sir.

10 COMMISSIONER KENNEDY: So it's the same here, almost  
11 level. That doesn't even account for inflation.

12 MR. BARRY: No. It's just about level.

13 COMMISSIONER KENNEDY: So taking account of infla-  
14 tion, it's really, in real dollars, less.

15 MR. BARRY: Less, right.

16 CHAIRMAN HENDRIE: Where are you looking at  
17 numbers like 37?

18 MR. BARRY: In your summary sheet in your book.

19 CHAIRMAN HENDRIE: There's a 39,375, right?

20 MR. BARRY: Right.

21 COMMISSIONER KENNEDY: That's the current mark.

22 CHAIRMAN HENDRIE: That doesn't help it because  
23 that's got compensation, et cetera, in it. It's really not  
24 helpful. I need something that shows the technical -- the  
25 program support dollars.



1 For program support.

2 MR. GOSSICK: How about this?

3 CHAIRMAN HENDRIE: That's fine but it doesn't go  
4 back to '78 and '77 so you can see how they are progressing.

5 Program support, the EDO mark is 18.065.

6 MR. COOPER: Your overall statistical table in front  
7 of your black book shows 14 million for your program support  
8 in '78. The EDO mark is 18 million for '79 and you've held  
9 that mark.

10 COMMISSIONER KENNEDY: So that's a 4 million  
11 increase.

12 MR. BARRY: Four million increase.

13 COMMISSIONER KENNEDY: Which is 30 percent.

14 CHAIRMAN HENDRIE: Okay, good. What I was going to  
15 say was that we are holding relatively tight on people, not  
16 completely but relatively. And some contract dollars can  
17 provide a degree of flexibility which is very useful to an  
18 office director.

19 That makes me feel happier about the program  
20 support.

21 Settled on that for the moment at any rate.

22 635; 18.065. And I suggest that a direction not  
23 to cut the advanced reactors, keeping at least at 10. And  
24 depending on their best judgment, at least 10 and I wouldn't  
25 object to 12. There are after all 22 going to be -- going to

1 be 22 people in that operation at the end of '78; that's a  
2 whopping drop. They're going to have trouble keeping some of  
3 the expertise alive in there that we're likely to need.

4 MR. COOPER: I believe there reclama was 10.

5 COMMISSIONER GILINSKY: Were those two for ERDA  
6 programs?

7 CHAIRMAN: <sup>Hendrie</sup> At least that was the reason which  
8 was ascribed to the two. I just think that the enthusiasm  
9 for dropping this stuff out is a little too great and we're  
10 going to regret it when we start scratching like fury for some  
11 knowledgeable manpower.

12 MR. BARRY: ERDA has never withdrawn their applica-  
13 tion to license their CRBR and they keep going to Case and  
14 asking how's he doing, you know, on the safety review. He's  
15 about to write them a letter saying he's going to drop it.

16 COMMISSIONER KENNEDY: That's an interesting  
17 question which we need to discuss sometime.

18 CHAIRMAN HENDRIE: We haven't got time now, but  
19 we ought to get clear on what the proprieties and legalities  
20 are.

21 Is Clinch River a commercial application? That is,  
22 does Project Management control it as a private financial  
23 institution in the United States? And if so, the fact that the  
24 President said drop it is not binding upon us. We really  
25 ought to be careful what action we take.

1 COMMISSIONER KENNEDY: It's something we've got to  
2 think through.

3 CHAIRMAN HENDRIE: On the other hand, if Project  
4 Management is to be responsive to the government and the  
5 Executive Branch, and the Executive Branch says drop it, we  
6 get a letter from Project Management that says drop it, if  
7 indeed they are the Applicant of record why then --

8 COMMISSIONER KENNEDY: Whoever the applicant of  
9 record is, if he says drop it, we drop it.

10 CHAIRMAN HENDRIE: Like a hot potato.

11 COMMISSIONER KENNEDY: Right?

12 CHAIRMAN HENDRIE: Right on the spot.

13 COMMISSIONER KENNEDY: As we would with anything  
14 else. We don't go ahead with the safety review of a reactor  
15 that some guy said I don't want to build.

16 MR. GOSSICK: Their testimony in front of Senator  
17 Hart clearly -- the letter clearly categorizes the government  
18 as applicant in this case. ERDA is the applicant.

19 CHAIRMAN HENDRIE: ERDA is the applicant.

20 COMMISSIONER GILINSKY: That's right. I think they  
21 changed that.

22 MR. GOSSICK: They changed the structure.

23 CHAIRMAN HENDRIE: Okay. It's an ERDA-Depart-  
24 ment of Energy project and I think it won't be very long before  
25 we get a letter from the Secretary. Meantime I would be



1 inclined --

2 COMMISSIONER KENNEDY: Not to rush. You would not  
3 wish to pour additional resources in to speed up the process.

4 CHAIRMAN HENDRIE: On the other hand, I don't know.  
5 that I care to do anything without consulting with the pro-  
6 prietors of the application.

7 Okay, onward to Standards. It seemed to me that  
8 there was no particular argument about the EDO mark. There  
9 seemed to be, if not cheerful agreement, at least --

10 MR. BARRY: That's right.

11 I was a Standards panel chief on the BRG. Each one  
12 of us took a panel. And then, of course, I sat on the BRG  
13 proper. If anybody has done a scrub and tried to trade off  
14 completed functions and so on, Standards has done it. At the  
15 line item contract level, and people-to-people level.

16 COMMISSIONER GILINSKY: What is the increase for?

17 MR. BARRY: They simply <sup>need more for</sup> ~~between~~ all of their  
18 activities -- you know, they've not had an increase in three  
19 years. And they simply are being saturated with a requirement  
20 for standards and guides from the line offices that they  
21 simply can't accommodate and continue to sustain the existing  
22 standards, you know, over the years. They're flatly running  
23 out of people. We really scrubbed that one.

24 MR. GOSSICK: One of the big changes here, I think,  
25 initially, you know, NMSS took the view that don't bother

1 we'll tell you what guides and standards we will need when we  
2 decide what they are. So at least the last 18 months or so,  
3 there really was very little work in the NMSS area by the  
4 Standards folks. That has changed dramatically now and they're  
5 really drawing on the Standards people to do a lot of things.

6 COMMISSIONER KENNEDY: Why then do we keep looking  
7 at numbers as large as we do in so-called standards support  
8 in all these other offices?

9 It looks almost -- I realize it's not that way, I  
10 am just searching for the right kind of answers -- but it  
11 looks almost like Catch 22. You pure more people on in the  
12 line offices in standards supports and thereby generate more  
13 standards to be written, which overloads standards so they  
14 have to hire more people. If you keep that up long enough,  
15 you have half the agency writing standards.

16 CHAIRMAN HENDRIE: It works in the -- the sequence  
17 works the other way, in effect. Standards comes to places  
18 like NRR and NMSS and says, you know, we've agreed, you and I,  
19 that we ought to have a guide on such and such and now we  
20 started to draft but we need some help. We need to sit down  
21 with you guys and go over it and so on.

22 It is a manpower increment which the program office  
23 has to put in to seeing that <sup>something is</sup> completed by Standards. Standards  
24 is reluctant to go off in the corner and do it totally by  
25 themselves and, indeed, if they did, they would probably get

1 into deep trouble from time to time.

2 There is another kind of manpower drain which is  
3 called standards assistance which is nonnegligible and that is  
4 the membership by professional staff of this agency on profes-  
5 sional standards-associated societies and activities.

6 COMMISSIONER KENNEDY: Like ANSI.

7 CHAIRMAN HENDRIE: It's pretty extensive. I think  
8 that's a good thing. I'm not against that a minute, but a lot  
9 of those people are, indeed, in NMSS, NRR, or I&E, or wherever,  
10 and the program office directors cheerfully count the time that  
11 their guys go to attend an ASTM meeting as standard assistance,  
12 right, that's something that we put upon them.

13 COMMISSIONER KENNEDY: It was upon them in response  
14 to their request. It's a perfectly reasonable thing; they  
15 ought to do it.

16 CHAIRMAN HENDRIE: It's a professional overhead sort  
17 of activity of the agency which if there were not an Office  
18 of Standards Development it would be listed as, I don't know,  
19 Training, Correspondence and Professional Activities, Related  
20 Professional Activities. But since there is a standards-writing  
21 activity, why the guys like to charge it off that way. And  
22 it's not trivial.

23 Okay at the EDO mark, 160 people and 7.007  
24 million program support. Okay? They seem cheerful with it.

25 MR. BARRY: They, of course, wanted a few more but



1 they did not reclama it.

2 We really are in trouble I think if we don't give  
3 them these numbers. They're just simply are really going to  
4 fall behind in Standards. That's one we really ought to hit  
5 hard with OMB.

6 CHAIRMAN HENDRIE: Well, they'll have to conce -  
7 trate on the guidance, on the needed items. And we'll have to  
8 think how much larger that shop really ought to get. I think  
9 it does a good job. Well run. And after some initial sort  
10 of shaking out period, it went on back in '72, '73, '74. I  
11 think it's been a great credit to the organization.

12 I used to think that it ought to be subdivided and  
13 given back to the line offices and said so a couple of times,  
14 but I subsequently decided nowadays they're a pretty good  
15 bunch and they do a job which would not get done unless they  
16 did it.

17 Could we turn our attention to the Office of  
18 Inspection and Enforcement?

19 I can remember a time when Johnny Everdessy(?) used  
20 to refer to the Regulatory Staff as the Jolly Green Giant.  
21 I'm afraid we now have a Jolly Green Giant of our own. And it  
22 is I&E.

23 They are now at 589 people. The '78 budget, as it  
24 now stands right at the moment, takes them up to 651, which is  
25 an increment of what, plus 62, I guess. There is a supplement

1 we are discussing with OMB and we appear to be converging on  
2 agreement at 75 people additional for 1978. That brings them  
3 to the end of FY '78 at an authorized strength of 726; 137  
4 people more than they have at this moment. And there is a  
5 request of some substantial number beyond that for '79. And  
6 I am glad we are improving our ability to inspect and enforce,  
7 but I have some concern that it may be improving at a little  
8 too rapid a rate for good health and careful use of the man-  
9 power.

10 It seems to me a request of 209 for FY '79 against  
11 the previous increment is just too large and I would for a  
12 '79 increment, another 130-and-a-few people at most and at  
13 most a ceiling of strength then of 860. That's a tentative  
14 sort of mark that we grappled toward at the earlier session  
15 on the subject.

16 Now that we have a clearer idea that the supple-  
17 ment, in fact, is rather likely to occur, so that there 1978  
18 delta is going to be 137 slots, or thereabouts, 130 give or  
19 take a few, do you want to continue with another request of  
20 that size for '79?

21 COMMISSIONER GILINSKY: Where does that put them  
22 on the Faris charts? What was their reduced program?

23 MR. BARRY: This would put him on the chart he  
24 showed yesterday where his, you recall, on the original  
25 program he went up pretty steep through '80 and then a bent

1 indicating a more even progression. I don't happen to have a  
2 copy of that with.

3 MR. COOPER: I believe the bottom line was that he  
4 would one inspector per site one year later which was '81  
5 instead of '80.

6 COMMISSIONER KENNEDY: Here it is, Lee, the other  
7 chart.

8 COMMISSIONER GILINSKY: How does <sup>860</sup>~~760~~ jive with  
9 those numbers?

10 MR. BARRY: That second curve, the dotted line.  
11 It is the lower of those lines.

12 COMMISSIONER KENNEDY: It is the dotted line. He  
13 drew that in light of what we had given him as a direction.  
14 I must say, that line impressed me as a more rational way to  
15 go about all this given the difficulties of (a) recruiting and  
16 (b) training.

17 I was concerned at the outset whether he would ever  
18 be able to achieve the rate of growth which he predicted on  
19 the other chart, given the numbers of people you'd have to  
20 recruit each year.

21 CHAIRMAN HENDRIE: I think we are committed to a  
22 resident inspector program and I expect on balance that by  
23 the time we get it all threshed out, it will turn out to be  
24 a good move. I hope so anyway.

25 I will note that if we have 63 or 65 operating



1 reactors at the present time and another 70-odd in various  
2 stages of construction in specs, and there is some level of  
3 inspection going on then at the present time, both in operating  
4 reactors, and in the ones under construction, what it says is  
5 about a third of his shop is engaged in that, about 210 or -20  
6 out of 590.

7 We are proposing to, hopefully, more than double  
8 that by the end of fiscal '79.

9 Now, the number of facilities that he's inspecting  
10 isn't going to change notably by the end of '79. A few of  
11 them will move off the construction list onto the operating  
12 list, but 130-odd that he is looking at, one way or another,  
13 won't have changed significantly. Okay. There will be a few  
14 added but not a great number.

15 So that you account for going from about 220  
16 in reactor inspection up to, my goodness, 491 people. 220  
17 people to 491, that's better than doubling in the reactor  
18 inspection effort is reflected, presumably in terms of twice  
19 as much inspection.

20 COMMISSIONER GILINSKY: Sounds good.

21 CHAIRMAN HENDRIE: That may be a good thing to do.  
22 I don't regard myself as an expert --

23 CHAIRMAN KENNEDY: Not twice as much inspection;  
24 twice as many reactors to inspect, which is twice as much  
25 inspection but not per reactor.

1 CHAIRMAN HENDRIE: Well, but what I am saying is  
2 that the number of reactors are not going to change that much  
3 in the next couple of years.

4 COMMISSIONER KENNEDY: Not in the next couple, no;  
5 that's right.

6 CHAIRMAN HENDRIE: We've got about 130 in over  
7 the next two years so we'll add another 5 or 10 orders, right?  
8 And all that happens in the 130, some of them stop being  
9 inspected as construction items and get inspected as operating  
10 plants.

11 COMMISSIONER KENNEDY: That's right.

12 CHAIRMAN HENDRIE: And so we're really talking about,  
13 in a very crude way, an increase in the intensity of inspection  
14 per unit of a factor of 2.

15 COMMISSIONER KENNEDY: That's right.

16 CHAIRMAN HENDRIE: Now that may indeed be justified  
17 and proper and high time we did it, but I wonder if it's ever  
18 been contemplated in quite those terms: That there was a  
19 clear need to double the intensity of inspection. It certainly  
20 suggests to me that at the reduced numbers suggested last week  
21 that it's an ample increase, at least the plan for through '79.  
22 And that it may even be excessive.

23 I also have some concern over whether these 260,  
24 whatever they are, 271 additional people over the next two  
25 years will be reflected adequately in on-time at the sites.

1 I believe what we looked at in the chart is that if  
2 we hire between this point and the end of '79, two years from  
3 now, two years and a couple of months, at the end of '79 we'll  
4 have 17 inspectors resident on site.

5 I recognize there's a lot to be said about training  
6 and performance appraisal and a number of other activities  
7 and overhead support and so on, but I'm still compelled to say  
8 that a fierce lot of input for a somewhat slim line of output.

9 MR. GOSSICK: There's actually 17 in '78 and 35  
10 in '79.

11 CHAIRMAN HENDRIE: That's better.

12 I'm not sure that twice as good changes the thrust  
13 of the comment.

14 I think, <sup>indeed</sup> ~~indeed~~, that we will want to talk to  
15 Ernie over time and think some more about the way in which  
16 the resident program is implemented with regard to where the  
17 manpower will tend to reside over the next two years as it  
18 comes in.

19 If there are a number of guys who are now sort of  
20 general reactor inspectors who are in the shop, I wonder how  
21 many of these might be encouraged in the near-term to take up --

22 COMMISSIONER KENNEDY: That's what I understood  
23 he was going to do, as resident inspectors. This is where  
24 he's going to get most of them, anyway.

25 MR. GOSSICK: That's right, the initial ones.



1 From the regional offices.

2 CHAIRMAN HENDRIE: He doesn't think he can produce  
3 more than 17 by the end of '78?

4 MR. GOSSICK: Well, earlier he was going to do  
5 something more than that. I think under the manning --

6 CHAIRMAN HENDRIE: Yes, but he wasn't going to  
7 have any more on board experienced inspectors if we don't  
8 authorize him 507 instead of --

9 So is occasionally the case, I have a feeling that  
10 viewgraph numbers have a certain agility about them which  
11 depends on the direction that you are facing.

12 COMMISSIONER KENNEDY: Or depending on how you  
13 want your curve to appear.

14 CHAIRMAN HENDRIE: Let me ask you, does anybody  
15 feel that I'm being too severe in these comments and that we  
16 ought to contemplate a higher number than 860 for the end of  
17 '79?

18 COMMISSIONER KENNEDY: I do not. I believe that's  
19 a rate of growth which is probably attainable and even then  
20 will be difficult.

21 CHAIRMAN HENDRIE: Now how about the other direction,  
22 is there a feeling that it ought to be driven down still  
23 further?

24 COMMISSIONER KENNEDY: I would not. I would think  
25 this is a defensible number given our commitment to a resident

1 inspector program. I think, therefore, it serves two potential  
2 purposes. First, getting the resources and a justifiable base  
3 of resources if the program is to go forward. And also,  
4 provides the framework the basis for the Administration to  
5 decide whether, indeed, that is the way they really want this  
6 to go. If they are, we have a defensible base against which  
7 they can work in terms of resource allocation.

8 Less than that, you know, there is some question  
9 about the commitment to the program itself. This way, you  
10 have a base which means you really have a committed program;  
11 are they willing to support it or aren't they? Because if  
12 they aren't, we need to know that before we get halfway into  
13 it, it seems to me. or you can get into a very wasteful kind  
14 of situation.

15 CHAIRMAN HENDRIE: As far as I can tell, they will  
16 support it. They will probably argue over details of the  
17 numbers, but the fact that they have been, you know, -- it's  
18 incredible, they're practically cheerful about the 70-odd  
19 people in a supplement for the program. It gives one the  
20 feeling one should have asked for 307 or something like that.

21 If you can't make them frown and hold their heads,  
22 when a number is mentioned, you feel you really haven't  
23 bargained well.

24 COMMISSIONER BRADFORD: Was there a resident  
25 inspector program in the works prior to April of this year?

1 CHAIRMAN HENDRIE: Oh, yes.

2 COMMISSIONER KENNEDY: Oh, yes. Yes, we were  
3 thinking in those terms.

4 CHAIRMAN HENDRIE: Yes, I think the fact that it  
5 was already underway lent it a validity which they really  
6 would have had to ask a lot of question and struggle a little  
7 bit about whether it was a valid concept if the Commission  
8 hadn't already decided that it was a useful and effective way  
9 to turn. It was convenient for the President to scoop it off.

10 COMMISSIONER BRADFORD: It was the Commission's  
11 commitment at that time to one inspector per site?

12 COMMISSIONER GILINSKY: Except there's this. It  
13 was in the works and it was being recommended by Ernie, but  
14 when it came in front of us, the President already said that  
15 he wanted an inspector program.

16 CHAIRMAN HENDRIE: That may have doubled Ernie's  
17 estimate of the manpower need.

18 COMMISSIONER KENNEDY: We had authorized earlier,  
19 well over a year ago, two years ago, a sort of middle ground  
20 test at which there was some inspectors placed nearby; they  
21 were not located at specific sites, but rather were in the  
22 vicinity of 2 or 3 sites.

23 COMMISSIONER BRADFORD: That's what I was wondering,  
24 was whether the resident inspector --

25 COMMISSIONER KENNEDY: We had gone through that



1 process and concluded that it did have advantages and the next  
2 logical step was to put them at the sites themselves, committed  
3 to the sites. We then had a confluence of interest.

4 CHAIRMAN HENDRIE: All right. I think we are then  
5 resolved fairly clearly on 860 as a '79 mark plus 134 people  
6 over the tentative end of '78 number.

7 And the dollars, I guess, are --

8 MR. BARRY: Pretty much indicative of the people.

9 CHAIRMAN HENDRIE: Program support; I assume you'll  
10 figure out what we need to pay the people and allow them to  
11 travel and have benefits and insurance and stuff. It's the  
12 program support dollars.

13 MR. BARRY: Program support goes from a little  
14 over 3.6 million to 4 million. So it's 400,000 dollars  
15 difference.

16 CHAIRMAN HENDRIE: Okay.

17 COMMISSIONER BRADFORD: Does that involve building  
18 or renting a house on every one of these sites?

19 MR. BARRY: No. That would come out of administra-  
20 tive support is what that is. We do radiography measurements.  
21 We do -- they've been doing a lot of studies. This is their  
22 contractual effort. Even they, the inspectors, you know when  
23 he talked about technical specialists, he even has to hire  
24 technical specialists on occasion to supplement his inspection  
25 staff.

1 COMMISSIONER BRADFORD: So the living quarters are  
2 already there.

3 MR. BARRY: It will come out of administrative  
4 support which, as an example, in our 75 inspector supplement,  
5 there's \$3 million dollars in there, about 1.8 million will  
6 be for the 75 people; the other will be for logistic support  
7 and their demands up there, office space, lease space and so on.

8 CHAIRMAN HENDRIE: NMSS; you were saying, Vic?

9 MR. GILINSKY: I was asking where the increase  
10 was?

11 COMMISSIONER KENNEDY: Got an increase of 20 at  
12 them moment; is that right?

13 COMMISSIONER GILINSKY: Yes.

14 CHAIRMAN HENDRIE: Safeguards.

15 COMMISSIONER GILINSKY: Waste management and radio  
16 isotopics licensing.

17 CHAIRMAN HENDRIE: Where are you?

18 COMMISSIONER GILINSKY: I'm just guessing.

19 MR. GOSSICK: There's 10 in radio isotope and 3  
20 in waste management. Safeguards is down 4, safeguards licens-  
21 ing, 3 more in this contingency planning and threat assessment  
22 area.

23 COMMISSIONER GILINSKY: You know, safeguards  
24 really should have come down a great deal more than that. The  
25 number of facilities has gone down considerably. And the

1 prospective onslaught on the plutonium economy has succeeded.  
2 That whole GESMO effort. What happened to the GESMO support  
3 effort?

4 MR. GOSSICK: Well, they kind of went back where  
5 they came from.

6 COMMISSIONER KENNEDY: They were borrowed.

7 MR. GOSSICK: Yes, they never got people. They  
8 were pulled together from the various offices over there.

9 COMMISSIONER GILINSKY: Unless we shift responsibility  
10 to the -- as the Chairman was suggesting this morning.

11 CHAIRMAN HENDRIE: Well, that's going to be -- that's  
12 something that's going to take some time. I wouldn't want to  
13 do it in the context of the assignments at the moment. I just  
14 think it's -- you know, there is a turf fight going on between  
15 the reactor side and the other side. It's going to take a  
16 while to get the staff settled down.

17 COMMISSIONER GILINSKY: I was only suggesting that  
18 the -- I think the fuel cycle safeguard could come down a good  
19 deal.

20 MR. GOSSICK: We have changed a sign -- we did  
21 more than a second derivative. In fact, we turned the corner  
22 on this one. 131 down to 129 total in safeguards, which isn't  
23 much but it's a change in the direction.

24 I'm inclined to agree with you. I think we've  
25 probably got plenty of staff.



1 COMMISSIONER GILINSKY: Yes, we've geared up for  
2 dealing with any number -- first of all, the GESMO proceedings,  
3 and safeguarding reprocessing plants all over the place. Fuel  
4 fabrication plants.

5 COMMISSIONER KENNEDY: Don't forget the IAEA  
6 efforts. Isn't that the international safeguards? There's  
7 some efforts there.

8 COMMISSIONER GILINSKY: Well, the number of  
9 facilities that deal with highly-enriched uranium and plutonium  
10 has been reduced. Actually quite a volume, by at least 30  
11 percent. They have given up their licenses. They've reduced  
12 their possession limits.

13 MR. GOSSICK: I think they would argue that whether  
14 it's a dozen or, you know, 100, cycle facilities, that they  
15 have still got to go through basically the same effort to  
16 establish a program and that is what they have been doing.

17 COMMISSIONER GILINSKY: Except you are no longer  
18 gearing up a big program for a large industry. I mean, it's  
19 more a matter of dealing with a handful of individual facili-  
20 ties and making sure there aren't any holes in fences.

21 COMMISSIONER KENNEDY: But you've got increasing  
22 potential in the transportation field. There still are some  
23 gaps in this whole package that need filling. I'm not  
24 arguing that that justifies these numbers.

25 COMMISSIONER GILINSKY: That's true. But you know

1 we've geared up with all kinds of groups that were doing deep  
2 thinking and looking at the big picture and conceptualizing the  
3 subject and so on. I really kind of think they are under-  
4 employed.

5 CHAIRMAN HENDRIE: Plus 10 in radio isotopes.

6 COMMISSIONER GILINSKY: Reduce the staff or give  
7 them something else to do.

8 COMMISSIONER KENNEDY: Give them radio isotope  
9 licensing.

10 COMMISSIONER GILINSKY: Give them radio isotope  
11 licensing, while they're traveling to the site.

12 CHAIRMAN HENDRIE: As I go down the decision units,  
13 I note that the people delta from '78 to '79 is minus 1 in  
14 uranium fuel cycle, minus 1 in spent fuel storage and processing  
15 off the numbers I've got here, but are those correct '78  
16 numbers?

17 MR. BARRY: Well, the problem is that included the  
18 people that they had in the budget supplement. In other  
19 words, they had 20 people in their budget amendment.

20 CHAIRMAN HENDRIE: Good. What should the number be?  
21 As I say, I don't have any people in the budget.

22 MR. BARRY: 284 in total.

23 CHAIRMAN HENDRIE: 284, not 289.

24 MR. BARRY: I'm sorry. You're right, 289.

25 CHAIRMAN HENDRIE: And how would the 20 come out of

1 the decision unit?

2 MR. BARRY: I was afraid you'd ask me that. I  
3 really don't know what the spread is.

4 CHAIRMAN HENDRIE: It's hard to keep these things --

5 MR. BARRY: Because every time they either think  
6 they are going to get either another 10 or 20, the whole thing  
7 changes. One of the things, though, that we did less was  
8 this <sup>radioisotopes</sup> ~~radiography~~ licensing.

9 COMMISSIONER KENNEDY: That's a good thing. That  
10 suggests they adjust the priorities appropriately.

11 MR. BARRY: We did request that.

12 COMMISSIONER KENNEDY: Radio isotope licensing.

13 MR. BARRY: Yes.

14 COMMISSIONER KENNEDY: I hope so.

15 MR. BARRY: We did.

16 COMMISSIONER KENNEDY: That's 10 off.

17 MR. BARRY: I think you could say the other 10 is,  
18 frankly, waste management.

19 COMMISSIONER GILINSKY: I thought there were 3.

20 MR. BARRY: In waste management?

21 No. It was 10. The reason it shows only 3 is be-  
22 cause they assumed they were going to get 10 in the budget  
23 supplemental. They had hoped to get 20, but OMB indicated to  
24 us that they were going to give us 10. Now, the answer is zero.

25 COMMISSIONER GILINSKY: But we're getting some



1 reduction in safeguards?

MR. BARRY: Yes.

CHAIRMAN HENDRIE: Check me out, <sup>Len</sup>~~Glen~~.

2 If I run down the decision unit package, okay, and  
3 compare '78 to '79 --

MR. BARRY: Then at least you can see -- you're  
4 still going to have the wrong '78 in the sense that you have  
5 got some inflated figures for '78, but you can see what '77 is.

CHAIRMAN HENDRIE: If I run down the decision units,  
6 I get minus 11 and plus 18 for a net plus 7.

MR. BARRY: Right. That's because, as I say, they  
7 assumed 20 additional people in their '78 baseline.

CHAIRMAN HENDRIE: Now, their '78 baseline should  
8 be 20 people lower. I presume they would want to make those  
9 up in the '79 request.

COMMISSIONER GILINSKY: What does that mean that  
10 their '78 baseline is?

MR. BARRY: Well, it is now 289, as we show on  
11 your sheet there. That's firm. That's what they have.

COMMISSIONER GILINSKY: They're asking for 20?

MR. BARRY: They assume their baseline would be 295.

COMMISSIONER GILINSKY: Well, that isn't 20 more.

MR. BARRY: No. No. What happened is we went from  
12 284 to 295 in the amendment. But inasmuch as the amendment is  
13 not going to take place, when we did our divisions the other

1 day for '78, we increased their baseline by 5. In other words,  
2 we gave them 5 of the 21 they're not going to get in their  
3 amendment. So the fair baseline to start from is 289, which  
4 keeps them not whole in '78, but -- can't do that. But that's  
5 not that far off, it's only 6 people away from what they  
6 originally contemplated.

7 COMMISSIONER KENNEDY: So what does that do with  
8 the numbers that you would be adding in '79?

9 MR. BARRY: '79. I think you can make your decision  
10 on whether you think the radio isotope is a worthwhile effort  
11 and whether or not you think they need any further increase in  
12 any of the other activities.

13 COMMISSIONER KENNEDY: Where does waste management  
14 stand at that point?

15 MR. BARRY: They would tell you waste management  
16 would still be 11 people short.

17 COMMISSIONER KENNEDY: Remember, it started at zero.

18 MR. BARRY: Yes. Lee gave them 11 people in '77.  
19 In the budget amendment they said they needed another 16 for  
20 waste management.

21 MR. GOSSICK: In other words, their 45 that they had  
22 in their submittal assumed they were going to get 16 more in  
23 the '78 supplemental.

24 MR. BARRY: Right.

25 MR. GOSSICK: They reprogrammed the 11 spaces, whatever

1 the spaces were for bring them to --

2 CHAIRMAN HENDRIE: Let's see. Another way of look-  
3 ing at is the following, I think, Lee; they now have 275  
4 authorized slots.

5 MR. GOSSICK: In '77.

6 CHAIRMAN HENDRIE: Right now.

7 MR. GOSSICK: Yes, sir, I guess so. I don't have  
8 a '77 number right here.

9 CHAIRMAN HENDRIE: It's off of one of Len's magic  
10 sheets.

11 MR. GOSSICK: I've got it.

12 CHAIRMAN HENDRIE: It says -- it's as good as most  
13 of the other numbers we are using.

14 MR. BARRY: No better.

15 CHAIRMAN HENDRIE: They've got 275 authorized slots  
16 now.

17 MR. GOSSICK: Right, got it.

18 CHAIRMAN HENDRIE: They get plus 14 in going to the  
19 '78.

20 MR. BARRY: Revised.

21 CHAIRMAN HENDRIE: To what we call -- I'll call the  
22 first -- what I'll call the '78 budget, not considering the  
23 supplement. Now we consider '78 including the supplement and  
24 it's still just plus 14 because there's nothing in the supple-  
25 ment to them. Okay.



1 Now, in '79, the EDO mark is plus 20 up to 309.  
2 The division request would have been larger than that by --

3 MR. BARRY: Their request?

4 CHAIRMAN HENDRIE: About 7 slots.

5 MR. COOPER: Yes, 49 slots. Their request was 358.

6 MR. BARRY: They were way up there in requests.

7 CHAIRMAN HENDRIE: Yes. That wasn't what I meant  
8 to say. Let me try it again.

9 If they had gotten people in the '78 supplement,  
10 then the EDO mark would have given them 7 more people in '79.

11 MR. BARRY: If they would have gotten everything  
12 they wanted they would have gotten 20 more. If they had  
13 gotten their supplement, they would have their 20 people.

14 MR. GOSSICK: But 295 if we stayed with the --

15 CHAIRMAN HENDRIE: It doesn't matter.

16 MR. BARRY: The only thing they would have complained  
17 about would have been the radio isotopes.

18 CHAIRMAN HENDRIE: We have arrived at an end of  
19 FY '79 proposed number of 612.

20 In '78 they will go up 14 slots over present  
21 strength. The EDO mark would allow them yet another 20 in '79.  
22 In considering their present strength, your remarks that man-  
23 power needs which appeared to be urgent a few months ago, 6  
24 months, 7, 8 months ago, are considerably in this area; at  
25 least with regard to fuel cycles sort of things.

1           The radio isotope stuff, that was scuffy 8 months  
2 ago and it's still scuffy, okay. So I think that any increment  
3 that we talk about that goes into that activity is a fair  
4 proposition. EDO's suggestion has been to chuck more people in  
5 there. And I think whatever else we do, we ought to preserve  
6 that.

7           Then I guess the question is -- so there's plus 10  
8 for radio isotope licensing. EDO had also suggested a few  
9 in waste management.

10           COMMISSIONER KENNEDY: How many were suggested in  
11 waste management?

12           MR. GOSSICK: Waste management. It was the same  
13 as the BRG mark. An increase of 3 over FY '78.

14           CHAIRMAN HENDRIE: Well, but that isn't the right  
15 '78 number.

16           MR. BARRY: That assumed they were going to get  
17 16 in the amendment.

18           COMMISSIONER KENNEDY: So he was assuming 19.

19           MR. BARRY: He was assuming 19. But he already had  
20 16 in the pocket and he wanted 3 more.

21           CHAIRMAN HENDRIE: And EDO was giving him those  
22 3 which meant, in effect, meant increasing the strength in  
23 waste management by 19. Right?

24           MR. BARRY: I'm sorry, there's something wrong  
25 here.

1 CHAIRMAN HENDRIE: Something happened there.

2 MR. GOSSICK: Back in, whenever it was, Commissioner  
3 Kennedy, remember when we met and agreed to put more people  
4 and that caused that first reallocation of ceiling. The  
5 Commission authorized 19 additional people in waste management,  
6 bringing them up in FY '77 to a level of 31, or some such  
7 number, as I recall. We reprogrammed those people and he got  
8 11 spaces from outside of NMSS. He reprogrammed some of these  
9 safeguards people. Anyway, in-house he made up the difference.

10 COMMISSIONER KENNEDY: But even before this supple-  
11 mental even came up, we were talking in terms of 30 --

12 MR. GOSSICK: 28 or 30, the number is right there.  
13 In '77 and '78 we were going to -- Commission said he could  
14 go to, I thought it was something like 40.

15 MR. BARRY: It is.

16 MR. GOSSICK: And so these numbers here are the right  
17 numbers, I believe, and the supplement would have been, you  
18 know, quite apart from these numbers.

19 We'll get on the phone and ask him, but I think that  
20 right now he's got like 30 people in his waste management area.

21 MR. BARRY: Yes, 34.

22 CHAIRMAN HENDRIE: That may be the case in this  
23 decision unit, but in the total of all the decision units in  
24 NMSS, all of those fiscal '78 estimate manpower numbers add  
25 up to --



1 MR. BARRY: 304.

2 CHAIRMAN HENDRIE: 15 people too many.

3 MR. BARRY: Right.

4 CHAIRMAN HENDRIE: That is, the decision unit '73  
5 number --

6 COMMISSIONER GILINSKY: 304 instead of 289.

7 CHAIRMAN HENDRIE: Add up to 304 instead of 289.  
8 Okay?

9 So this particular decision unit may have the  
10 correct numbers in it, but there are 15 people too many in  
11 the '78 number other places; okay?

12 This decision unit, waste management, purports to  
13 go from 34 man-years this year to 40 next year to 43 in '79.  
14 Since waste management is one of our growing enterprises, a  
15 real waltz leader these days, why that doesn't strike me as  
16 inappropriate.

17 COMMISSIONER KENNEDY: I would say whatever it  
18 takes to get it there, the number ought to be in the neighbor-  
19 hood of 40, if it's 43, okay. It ought to be up at that  
20 level. Now, how we adjust the numbers to get it there, I  
21 must say, I don't know either following this conversation.

22 MR. COOPER: Okay, in the meantime we were able to  
23 get NMSS' application for a 15 reduction.

24 CHAIRMAN HENDRIE: Please tell us, decision unit  
25 by decision unit.

1 MR. COOPER: If you're looking down the -- at that  
2 page: uranium fuel cycle, deduct 3.

3 CHAIRMAN HENDRIE: From 28 to 25.

4 MR. COOPER: Spent fuel --

5 CHAIRMAN HENDRIE: Hang on. The EDO mark stays at  
6 27.

7 MR. COOPER: In no case -- what we are doing is  
8 giving you a '78 revised.

9 CHAIRMAN HENDRIE: Just a '78 revised.

10 MR. COOPER: Yes. The EDO mark in <sup>179</sup>'78 stays the  
11 same.

12 CHAIRMAN HENDRIE: What I wonder is, but, you know  
13 it's going to lead -- I'm going to take all these 15 numbers  
14 from you in a minute -- but it's going to lead to the follow-  
15 ing interesting speculation. When the Budget Review Group and  
16 EDO reviewed, they had a perspective. They were looking at 28  
17 people in '78 in here. And they said, this activity is taper-  
18 ing off, take it down 1.

19 Now, the division director comes back, and says,  
20 well --

21 COMMISSIONER KENNEDY: He took it down 3.

22 CHAIRMAN HENDRIE: Well, after having reapportioned  
23 some things, I'm taking in down in '78 to 25. I wonder whether  
24 the Budget Review Group and EDO would say now or would they  
25 say take it down 1, 25 to 24, or would you say at 27 and add 2?

1 COMMISSIONER KENNEDY: Or would you hold it level?  
2 Would it be conceivable that you would have added?

3 CHAIRMAN HENDRIE: I can't imagine that.

4 COMMISSIONER KENNEDY: I can't imagine that whatever  
5 he had to start with, he decided that by '79 you would want to  
6 reduce it. He starts out with a lower base, he would increase  
7 it; I can't believe that.

8 So it would seem to me you have two options; either  
9 hold it level at his his lower mark, or reduce it further. I  
10 don't any idea what other proposition to make.

11 CHAIRMAN HENDRIE: I guess I'm going to have to  
12 make a table here in spite of myself.

13 Okay, uranium fuel cycle, the new '78 is 25, and I  
14 got a suspicion that the EDO mark is going to come out 25 or 24.

15 Why don't we leave it 25, okay, Lee?

16 MR. GOSSICK: Okay.

17 CHAIRMAN HENDRIE: Advancing, uranium fuel cycle.  
18 The next one is spent fuel storage processing. That's a good  
19 subject.

20 MR. COOPER: They've actually added one out of the  
21 reduction of 15 beinging them up to 18, making the EDO reduction  
22 of 2. Leaving the biggest surprise for last.

23 CHAIRMAN HENDRIE: Wait a minute, don't tell me, I  
24 can hardly wait.

25 COMMISSIONER KENNEDY: Could I mark them down again?



1 Uranium fuel cycle was down 3.

2 MR. COOPER: Down 3 to 25.

3 Spent fuel was plus 1 to 18.

4 COMMISSIONER KENNEDY: All right.

5 MR. COOPER: Can I just go through these now  
6 right quick?

7 CHAIRMAN HENDRIE: Yes. Well, not too quick because  
8 I have a slow --

9 MR. COOPER: Transportation is down 1 to 18

10 CHAIRMAN HENDRIE: Good.

11 MR. COOPER: If you're prepared for this one.

12 CHAIRMAN HENDRIE: Now wait a minute, let me get  
13 my feet set here.

14 COMMISSIONER KENNEDY: Waste management would show  
15 40.

16 MR. COOPER: This is the big surprise of the day.  
17 Minus 13 to 27.

18 COMMISSIONER KENNEDY: What? I don't understand  
19 that at all.

20 CHAIRMAN HENDRIE: It sounds to me like we're going  
21 to save manpower left, right, and sideways.

22 MR. GOSSICK: Washington Monument.

23 MR. COOPER: This is the figures I have.

24 MR. BARRY: When you ask them that, tell them that  
25 their table shows that they have 34 in '77, so why are they

1 going down below our '77 level.

2 CHAIRMAN HENDRIE: And if they haven't got 34 there,  
3 how come it showed up that way on the chart.

4 Wait a minute, watch out.

5 MR. BARRY: Yes.

6 CHAIRMAN HENDRIE: Are these his numbers, or his  
7 plus overhead.

8 MR. BARRY: They're his numbers but -- no, they  
9 can't be his numbers. In other words, the numbers in this  
10 decision unit are his numbers.

11 Ask him why he goes from 34 down to 27, from '77 to  
12 '78.

13 CHAIRMAN HENDRIE: Don't those numbers add to  
14 289.

15 MR. BARRY: Yes.

16 CHAIRMAN HENDRIE: It's not only the 15, the  
17 pluses and minuses that come out.

18 All right. Waste management, how about that?

19 Okay, onward to radio isotope licensing.

20 COMMISSIONER KENNEDY: Your management seems to be  
21 greatly efficient in its ways.

22 CHAIRMAN HENDRIE: I ascribe that to my administra-  
23 tion. Overnight improvement.

24 (Laughter.)

25 CHAIRMAN HENDRIE: No change. It stays at 37?

1 MR. COOPER: It stays at 37.

2 CHAIRMAN HENDRIE: Next. Op tech.

3 MR. COOPER: The only other change that is shown  
4 here and I'll verify your earlier question -- okay, the only  
5 other change that is shown here is a minus 4 on Ops and Techs,  
6 which brings you down to 28.

7 CHAIRMAN HENDRIE: So the new number is 28.

8 COMMISSIONER GILINSKY: That's safeguards, isn't it?

9 MR. GOSSICK: Operation technology. This is in fuel  
10 cycle safety.

11 CHAIRMAN HENDRIE: The others are the same?

12 MR. COOPER: The others are the same. But this  
13 does not jive --

14 COMMISSIONER GILINSKY: So they didn't take anything  
15 out of --

16 MR. GOSSICK: Nothing out of safeguards.

17 COMMISSIONER GILINSKY: Nothing out of safeguards.

18 MR. COOPER: What I have just told you. Minuses  
19 add up to 21; there's only one plus. They meant to give us --

20 COMMISSIONER KENNEDY: They must have a plus  
21 somewhere.

22 CHAIRMAN HENDRIE: Well, I'm going to write down  
23 about four more numbers and I think your suggestion -- then  
24 we ought to move on.

25 I think we're going to have to carry, I'm sorry to



1 say, carry this one over to tomorrow to give a change (a) for  
2 the controller to corner Smith and get straightened out on  
3 these numbers and (b) I think, Lee, you and Len and Bill Dircks  
4 if he is around, whoever else you want to gather on it, better  
5 sit down and spend half an hour deciding what a new EDO mark  
6 is against this stuff.

7 Because there are are plenty of things like the  
8 base is switching on you and where you were trying to trim an  
9 activity a little, why --

10 And then we will take up this arithmetic tomorrow  
11 and see where it all comes out.

12 COMMISSIONER KENNEDY: Right now it doesn't come  
13 out.

14 CHAIRMAN HENDRIE: It's clearly going to come out  
15 someplace like 289 plus some number like between 10 and 20,  
16 okay, that's clear.

17 There is one other subject which we might deal with  
18 in NMSS and that has to do with that modal transportation  
19 survey line of work which was to be ultimately -- what was it,  
20 a 3- or 6 million dollar enterprise.

21 COMMISSIONER KENNEDY: Six years, wasn't it?

22 CHAIRMAN HENDRIE: \$3 million over 6 years.

23 COMMISSIONER KENNEDY: But it was incremental.

24 That is, --

25 CHAIRMAN HENDRIE: It could be cut off. You looked

1 at it and decided --

2 COMMISSIONER KENNEDY: These are being done sequenti-  
3 ally and one can cut off --

4 COMMISSIONER GILINSKY: I guess I find it a little  
5 curious that they are doing well, of course, road transporta-  
6 tion is in this. So if you cut it off, you are just cutting  
7 whatever we need. Transportation.

8 COMMISSIONER KENNEDY: Well, I assume they started  
9 that way under the assumption that road transport represents  
10 the most important by all odds.

11 COMMISSIONER GILINSKY: It seems reasonably sensible  
12 to me.

13 COMMISSIONER KENNEDY: The whole package.

14 COMMISSIONER GILINSKY: I wouldn't say that but  
15 he is --

16 CHAIRMAN HENDRIE: One at a time.

17 COMMISSIONER KENNEDY I would agree.

18 CHAIRMAN HENDRIE: It's probably better than  
19 tackling them all at once, trying to run in so many directions  
20 at one. If they attack them all at once, it probably means  
21 they're going to have 5 or 6 contractors that they have control  
22 over versus one.

23 Well, I'm willing to go ahead with that transporta-  
24 tion survey. What that would do, I guess, is to throw  
25 an additional 500K into program support in the transportation

1 decision unit and on the total. They recommended an additional  
2 person to go with the money and I don't --

3 COMMISSIONER KENNEDY: I think they indicated they'd  
4 take the money if they didn't get the person.

5 CHAIRMAN HENDRIE: Yes, that's right.

6 COMMISSIONER KENNEDY: And I think we ought to take  
7 their offer.

8 CHAIRMAN HENDRIE: Yes, I think that's right.

9 It was clear that the contract dollars rather than  
10 the person were the important thing. So I think the program  
11 support could be designated. It will 11.210 million plus .5;  
12 11.710.

13 And the slot arrangement will have to await a run  
14 tomorrow morning unless a miracle occurs --

15 MR. COOPER: If I might clarify what you have, it  
16 is obvious to me what you have is the 284 prior ~~adding~~ to  
17 adding back the 5 slots when we change from the 50 OMB  
18 reduction to a 33.

19 CHAIRMAN HENDRIE: Okay. That means Cliff is back  
20 a step. For a minute I thought he was ahead of us by a step  
21 or two; I'm glad to know he's back a step. It's just as well  
22 for the Commission.

23 COMMISSIONER KENNEDY: I am utterly astounded in  
24 any event at the waste management number.

25 MR. COOPER: We're going to triple-check that.



1 COMMISSIONER KENNEDY: Even if he adds the 5, if  
2 I am correct, he still is 2 lower than he was in '77. Even if  
3 he adds all 5, he is up to 32; that's 2 less than he now has.  
4 And we're concerned for him, thinking in terms of giving him  
5 additional help. We obviously are behind, or he is.

6 MR. BARRY: They show in their decision unit for  
7 waste management, 34 people. Then they showed 40 for '78.

8 CHAIRMAN HENDRIE: Okay. It needs some going off  
9 and getting with Smith and company and figuring out, and let's  
10 not do it here; it is one of those curiosities.

11 Now, if we could advance to Research.

12 Let us talk about program support dollars first in  
13 Research. There are reasonable arguments over people but I  
14 think it's a significant thing only with regard to the risk  
15 assessment and we'll sort of get to that last and then come  
16 back up the people columns, if you will.

17 Running down the decision units, starting with  
18 systems engineering, there is 10.3 million over the EDO mark  
19 which is requested by Safety Research for (a) getting started  
20 on EBTF and (b) picking up the BWR reflood extension to a  
21 two-dimensional array on a shared program with EPRI and  
22 General Electric.

23 They have actually requested another 1.2 million  
24 above EDO mark <sup>appeal</sup> ~~field~~ an additional 1.2 million, and at the  
25 moment, I do not remember what this is for?

1 Len, can you help?

2 MR. BARRY: <sup>\$</sup>700,000 was for code verification  
3 increase, and <sup>\$</sup>500,000 was for what they call "automatic control."

4 CHAIRMAN HENDRIE: Well, the <sup>\$</sup>7<sup>00,000</sup>, I know something  
5 about and on balance it is a reasonable thing to go with --  
6 keep up the code development work.

7 The automatic control, I think, is a thing that  
8 might very well --

9 MR. BARRY: The debate on automatic control is  
10 whether that isn't really tech assistance, if necessary.

11 CHAIRMAN HENDRIE: Well, it's a <sup>thing</sup> ~~think~~ they've  
12 kicked back and forth between them and I think -- now, before  
13 I start asking you about a half a million dollar item, how  
14 about 10 million dollar items, rather than an <sup>\$</sup>8<sup>M</sup> --

15 COMMISSIONER KENNEDY: The EBTF?

16 CHAIRMAN HENDRIE: The EBTF.

17 COMMISSIONER KENNEDY: I'd go with that. I'm  
18 satisfied with that. I must say, I have serious reservations  
19 on one ground and I don't know how to get over them. I am  
20 deeply concerned -- the one question I asked this morning, is  
21 the American Physical Society has spoken over and over again  
22 of the need for large-scale experiments in this field. And I  
23 am afraid that when we get all through, we'll have some  
24 fascinating data that is very comforting to us until the  
25 American Physical Society issues a report saying, oh, this

1 would be very good, but it really isn't. It won't be unless  
2 they do a large-scale experiment. Whereupon, we will find  
3 ourselves in a situation of having spent some \$27 million that's  
4 essentially unretrievable in terms of a large-scale experiment.

5 CHAIRMAN HENDRIE: Oh, you get the boilers back.

6 COMMISSIONER KENNEDY: They aren't big enough.  
7 You have to get some more boilers anyway; I've been through  
8 that.

9 *Chairman Hendrie:*  
~~COMMISSIONER KENNEDY:~~ You can buy four more of the  
10 same.

11 COMMISSIONER KENNEDY: I called them up one day  
12 last week and suggested that I'd looked up in Power Engineering  
13 and found them all kinds of boilers. And I found out that  
14 wasn't going to help me very much because it wasn't the  
15 boilers that were so expensive -- that's a little different  
16 than they told us last. But anyway, now this year that's not  
17 the problem; this year the problem is the pipes are expensive.

18 CHAIRMAN HENDRIE: Well, there is the problem that  
19 it's not the sort of full-scale, and there is going to be  
20 criticism of that, I know in advance, because he and I were on  
21 the same review teams and consultant teams on these programs.  
22 People who agree with him are going to say that there is nothing  
23 worthwhile if it's full-scale.

24 COMMISSIONER KENNEDY: When we discussed this whole  
25 thing last year, last year or the year before, Herb Cobb(?)



1 sat out here and made a categorical statement that any less --  
2 anything less than half-scale is not going to give you results  
3 that would stand up. You know, that's what he said.

4 CHAIRMAN HENDRIE: They've worked -- I have watched  
5 them struggle with the scale versus cost problems and I con-  
6 clude on balance that I want to vote for this project because  
7 I think it ought to go --

8 COMMISSIONER KENNEDY: The project, I think, needs  
9 to go. I'm just expressing my reservation on this ground be-  
10 cause I don't know what to do about it.

11 CHAIRMAN HENDRIE: Well, I agree it's a problem.

12 MR. BARRY: It's a cost/benefit problem. Another  
13 \$20 million for a little larger-scale. So it's  $\$27^A$  to  $\$47^A$ , is  
14 the next delta.

15 CHAIRMAN HENDRIE: I'm inclined to accept this  
16 sort of --

17 COMMISSIONER KENNEDY: If we all accept this risk,  
18 then I'm --

19 CHAIRMAN HENDRIE: But I think it is fair to  
20 recognize there's no question but what the data will be useful  
21 and very important. And compared to not doing a decent experi-  
22 ment in this phase of the transient -- this is an enormous  
23 step forward. no question about it -- now, are you going to  
24 make everybody happy with it? And the answer, I guess, is no.  
25 But it is a matter of kind of hard choice. The scale, the

1 complexity, the time to do it. the manpower involved, and the  
2 cost all rise very rapidly as you begin to push foward in  
3 pressure and forward in scale. And I am confident that we can  
4 build and run a \$30 million experiment and get it done in  
5 reasonable shape.

6 COMMISSIONER KENNEDY: I hope you're right.

7 CHAIRMAN HENDRIE: By the time you get to the  
8 \$70 million projects, why that's a head stretcher.

9 COMMISSIONER KENNEDY: Some of our previous \$30  
10 million projects have turned into \$70 million projects.

11 CHAIRMAN HENDRIE: How do you feel about it?

12 COMMISSIONER GILINSKY: I guess I will go.

13 COMMISSIONER BRADFORD: Well, I have heard all of  
14 your judgments on the appropriate size, scale, as to whether  
15 or not it is a worthwhile project. I do have a question that  
16 I'm going to have to pursue at far more leisure than this about  
17 the appropriate dividing line between our research and the  
18 research in those two institutions you mentioned. This clearly  
19 isn't the time to do that. This is budgetary time.

20 COMMISSIONER GILINSKY: I'd like to raise another  
21 point. I think it would be good if we, the Commission, had  
22 some direct access to some on-site information, like research  
23 does.

24 COMMISSIONER KENNEDY: You mean some kind of an  
25 advisory committee, some kind of a consultancy?

1 COMMISSIONER GILINSKY: It's an area in which I  
2 would like to have direct access to outside views because one  
3 is really at the mercy of, you know, proponents of these  
4 projects who, while they're all very competent --

5 CHAIRMAN HENDRIE: Yes, I think that's probably  
6 arranged in a very straightforward way. And you've got several  
7 sources. You could ask ACRS to take a reading and meet with  
8 you from time to time. They try to keep themselves well-  
9 acquainted on safety research anyway. The Committee has on  
10 its role, which means on the agency roles, a rather large  
11 array of consultants and one could select appropriate experts  
12 there and, you know, then you have the consultancy arrangement.

13 COMMISSIONER GILINSKY: I didn't mean on a personal  
14 basis. I mean kind of on a -- in a sense, as a group.

15 COMMISSIONER KENNEDY: When the projects are put  
16 before us, you mean, and the Staff has gone through and sent  
17 up a proposal for a major project, then get an independent view  
18 to weigh against the Staff view as we consider it here; is  
19 that what you are suggesting?

20 COMMISSIONER GILINSKY: Yes.

21 CHAIRMAN HENDRIE: I'll tell you, you could do a lot  
22 worse than ask the ACRS.

23 COMMISSIONER GILINSKY: Are they taking a look at  
24 this?

25 MR. GOSSICK: Yes.



1 COMMISSIONER GILINSKY: And they came down on this,  
2 supporting this?

3 MR. GOSSICK: Our understanding is that they concur  
4 in this approach.

5 CHAIRMAN HENDRIE: But what you haven't had and what  
6 would be undoubtedly useful is when the thing is first proposed  
7 to have a little chat with the ACRS and say, along with your  
8 other duties, we would like you to take a look at this context  
9 of the safety research program and the needs across the whole  
10 span of things, to form some views, and then to have a discus-  
11 sion with them.

12 You know, if you get a letter, why the Committee  
13 has to agree collegially on every word of the letter and then  
14 it tends to be a rather, you know, a somewhat limited document.  
15 If you can sit down with the Committee in public sessions, it  
16 is perfectly reasonable and let Committee members, having  
17 listened to their own consultants on the subject and studied  
18 it for themselves, tell the Commission sort of individually  
19 what their views are and so on. That's very likely to be a  
20 very helpful discussion.

21 COMMISSIONER KENNEDY: Or even have a subcommittee  
22 appointed for the purpose and the subcommittee meet as a board  
23 of consultants.

24 COMMISSIONER GILINSKY: I think that's the best  
25 thing to do.

1 COMMISSIONER KENNEDY: I do, too.

2 CHAIRMAN HENDRIE: Particularly with that sort of  
3 direct and personal interest of the Commission in the subject,  
4 they'll pin it down pretty hard. And they have access to a  
5 very broad range of technical people every place.

6 But we could also go outside and put together  
7 another sort of a panel.

8 The advantage of the ACRS is that they will be able  
9 to view a proposal like this in the safety research against  
10 the span of safety research, against the needs of the field.

11 COMMISSIONER GILINSKY: Well, this is an area in  
12 which they would be particularly -- (inaudible).

13 CHAIRMAN HENDRIE: Yes, and they have a high  
14 interest in the subject.

15 COMMISSIONER KENNEDY: It would also have a ruboff  
16 benefit from our own perspective since they are interested in  
17 getting these projects anyway, so you would kill two birds with  
18 one stone; they get their own in-depth look at the project, on  
19 the one hand; and give us benefit of some consultancy, on the  
20 other.

21 COMMISSIONER GILINSKY: There are some other areas.  
22 It would be good to apply this to other parts of the budget.  
23 There is, for example, safeguards -- it probably would not be  
24 the right group. And we may want -- actually use a mark,  
25 residual consultants.

1 CHAIRMAN HENDRIE: Some of the people on the  
2 Committee have a background and insight on the safeguards  
3 site, but it's not specifically a Committee chosen with that  
4 view.

5 On the other hand, it's sort of like one time I  
6 was going off to try to give a paper to a national academy  
7 meeting and asked one of my old professors for advice. And  
8 his advice was, "Watch out, because you know more about this  
9 subject than they do, but they are smarter than you are."

10 (Laughter.)

11 CHAIRMAN HENDRIE: And to an extent the same thing  
12 applies here. I think the ACRS is not particularly expert in  
13 this area. On the other hand, they're on balance and pretty  
14 bright and probing sort of a crowd.

15 If you were to ask them to take a look, why you  
16 probably would get a pretty good answer.

17 MR. BARRY: You know, there's another measure of  
18 this thing, too.

19 This particular project has to go back before the  
20 Congress because of the GAO report on funds and bills, which  
21 said that you started that thing out at 2-1/2 million and you  
22 were over 50 million, as a good estimate, probably 85 million  
23 as an outside estimate, you really screwed that one up.

24 And, at least, this thing is a little bit smaller  
25 scope than that one. We are, in fact, using the boilers from



1 the other one. Some savings. If we were to be going in with  
2 a \$47 million -- But I can see if you were going in with a  
3 \$47- or \$50 million or the original cost of project of 100  
4 million, we'd probably have a more difficult time getting this  
5 through Congress than we will on this scale.

6 COMMISSIONER GILINSKY: You want to know if it is  
7 doing the job.

8 MR. BARRY: Yes.

9 COMMISSIONER KENNEDY: Having invested \$27 million,  
10 is what you're going to get to be useful in any sense other  
11 than the academic one.

12 MR. BARRY: Yes, and they could ask us the same  
13 question also. I am just saying they are going to have fond  
14 memories of <sup>Plenum</sup>~~Plymouth~~ Fill (X) when we go before them this time.

15 CHAIRMAN HENDRIE: Research will have to get itself --  
16 its figures and plans lined up very carefully, and I think they  
17 will. They've been heartily burned and it goes back three  
18 years almost.

19 COMMISSIONER KENNEDY: What was the <sup>sunk</sup>~~sum~~ cost when  
20 we pulled out of the <sup>Plenum</sup>~~Plymouth~~ Fill, minus the boilers?

21 CHAIRMAN HENDRIE: \$7 million.

22 MR. COOPER: It was about 11 million down the tubes.

23 MR. BARRY: It was about 11 million.

24 CHAIRMAN HENDRIE: Okay, EBTF.

25 I'm going to recommend that we vote for the BWR

1 reflood category because that sounds likes a consumer's best  
2 buy. You get a dollar for every 40 cents or something like that.

3 COMMISSIONER KENNEDY: On the assumption that, in  
4 fact, it will be.

5 CHAIRMAN HENDRIE: Yes, because what we would be  
6 putting in would be the 40 percent sort of thing, and if that  
7 doesn't fly, why then they -- they'll be back in any event  
8 for further discussion, we'll put it that way If that doesn't  
9 fly, they it gets reconsidered.

10 And I would recommend that the  $\frac{\$}{1} \cdot \frac{M}{.7}$  in code develop-  
11 ment be allowed because --

12 COMMISSIONER KENNEDY: What about the --

13 CHAIRMAN HENDRIE: Automatic control --

14 COMMISSIONER KENNEDY: The fuel experiment.

15 CHAIRMAN HENDRIE: It turns up in a different  
16 decision unit.

17 COMMISSIONER KENNEDY: I'm sorry. I think it's  
18 going to be the fourth decision unit.

19 MR. BARRY: It comes under fuel development.

20 COMMISSIONER KENNEDY: Code development, I would  
21 agree.

22 CHAIRMAN HENDRIE: I'm going to recommend the  $\frac{\$}{1} \cdot \frac{M}{.7}$   
23 in code development; it's an activity that we keep driving hard  
24 on.

25 I would not recommend that automatic control thing

1 since there seems to be a certain of horsing around about whose  
2 area it ought to be in. The descriptions seem to be a trifle  
3 vague from the various quarters.

4 After I thought I understood what it was from the  
5 Research side, why the NRR stood up and explained what it was,  
6 and it sounded to me as though it were -- as though it had  
7 two tails instead ~~of tails instead~~ of one, and that's always  
8 an interesting situation.

9 MR. BARRY: Okay, then. Program support goes from  
10 \$<sup>M</sup>34.9 up to \$<sup>M</sup>45.9, an even \$<sup>M</sup>10. There is one person associated  
11 with EBTF --

12 CHAIRMAN HENDRIE: One or two?

13 MR. BARRY: One with EBTF and one with everything  
14 else.

15 COMMISSIONER KENNEDY: I don't think that given a  
16 total number of 166 that if they get the money, they would  
17 refuse to accept it without the people, do you?

18 CHAIRMAN HENDRIE: I think what we might think --  
19 I still prefer to run down the program dollars and then stand  
20 back and look at -- we might or might not allow Research a  
21 man or two over the mark, to use as he saw it. Let's go on.

22 That would take it to, you said, \$<sup>M</sup>45.9?

23 MR. BARRY: Yes, program support.

24 CHAIRMAN HENDRIE: Now the next one is -- LOFT is  
25 okay. Code development is okay. At least there were no



1 complaints back and forth except for people.

2 MR. BARRY: Right.

3 CHAIRMAN HENDRIE: If we go on to fuel behavior,  
4 there were --

5 JH COMMISSIONER KENNEDY: Why is the other <sup>\$</sup><sub>1</sub> 700,000  
6 not in this code development package?

7 MR. BARRY: You mean the other \$700,00; it was  
8 fast reactor and it was peculiar to advanced reactors.

9 MR. GOSSICK: The NRU.

10 CHAIRMAN HENDRIE: Wait a minute. Under Systems  
11 Engineering --

12 COMMISSIONER KENNEDY: There was a <sup>\$</sup><sub>1</sub>.7<sup>M</sup><sub>1</sub> code develop-  
13 ment.

14 JH CHAIRMAN HENDRIE: There was a <sup>\$</sup><sub>1</sub>.7<sup>M</sup><sub>1</sub> code development,  
15 which I assume --

16 MR. BARRY: Why isn't it under code verification?

17 COMMISSIONER KENNEDY: On my list, there is a code  
18 development decision unit. But we have code development in  
19 several places through this program.

20 CHAIRMAN HENDRIE: I assume that it's associated,  
21 the best I can remember, it's associated --

22 MR. GOSSICK: I don't know the distinction, but  
23 they call it code verification, rather than code development.

24 CHAIRMAN HENDRIE: Which means tying, correlating  
25 the code with the experiments and this is sort of the

1 experiments decision unit. For some reason they end up putting  
2 it in.

3 MR. BARRY: Additional code verification studies is  
4 what he's asking for.

5 CHAIRMAN HENDRIE: Now if we get down to fuel  
6 behavior, we now arrive at a proposal for elements over  
7 Lee's mark. One of them was the volume held out -- so-called  
8 slash item that was just held out for Commission consideration,  
9 which is the NRU loop work at <sup>\$</sup>1.6<sup>M</sup>.

10 COMMISSIONER KENNEDY: I would agree with that.

11 CHAIRMAN HENDRIE: This is the marvelous business  
12 where something else is <sup>\$</sup>1.6<sup>M</sup> lower than it would have been if  
13 this hadn't been in here. If that's clear.

14 Taking a piece of the irradiated fuel from PBF and  
15 moving it to NRU. They're finding some -- the NRU is a nice,  
16 big machine is one of the nice features about it and they get  
17 something like a 9-, 10-foot fuel pin in as compared to the  
18 shorties. That has some useful prototypical qualities compared  
19 to 12- or 14-foot reactors pins. And I think it's -- they'll  
20 get good value up there. It's a nice loop facility to have in  
21 operation. We are up there anyway with a piece of the work.

22 <sup>Now</sup> ~~Now~~, the other piece was a million and a half  
23 dollars for <sup>zircaloy</sup> ~~zircaloy~~ properties and the Budget Review Group  
24 snarled at it and Saul is saying that it's nice to do but not  
25 essential and Saul is complaining that we have put this work

1 under way in several places and he's got oral commitments  
2 to professors, to materials engineering, and how can we cut  
3 all this off and so on, and I don't know.

4 COMMISSIONER KENNEDY: Listening, I was not  
5 impressed with its necessity, nor did I get the impression that  
6 NRR was panting for the results.

7 CHAIRMAN HENDRIE: I don't think they are because  
8 I think what is coming out is that zirc oxidation rates are  
9 somewhat less than is used in Appendix K and NRR doesn't want  
10 to face the prospect of being asked to reread Appendix K to  
11 take account of more favorable material properties than are  
12 already in there.

13 I think they -- that's right. That's a billion and  
14 a half dollars.

15 MR. BARRY: Well, in our BRG analysis, it wasn't  
16 really all for ~~zircaloy~~<sup>zircaloy</sup> ~~zircaloid~~<sup>zircaloid</sup>. My figures show \$500,000 for that;  
17 another \$400,000 for in-pile cladding, ~~creep down~~<sup>creep down</sup>. By Hanauer's  
18 comment, that should be complete in '78. There shouldn't be  
19 any following effort.

20 There's \$100,000 for thorium decay heat. Steve's  
21 comment is that's not appropriate for NRC confirmatory. And  
22 then there's about a million dollars for what they call "material  
23 property data."

24 COMMISSIONER GILINSKY: Why is that not appropriate  
25 for NRC?



1 MR. BARRY: I can't answer that.

2 Unless --

3 COMMISSIONER GILINSKY: Because we don't have an  
4 application?

5 MR. BARRY: Yes, because we don't have an applica-  
6 tion for thorium.

7 CHAIRMAN HENDRIE: I'm unconvinced by that argument.  
8 On the other hand, I'm also unconvinced that -- at the level  
9 that we are on thorium cycle machines, I suspect the kind  
10 of plus or minus 20 percent estimate that you'd make on exist-  
11 ing decay heat determinations would be plenty good enough.

12 And then if it looked like we were getting a little  
13 more serious about thorium cycle machines, why you might want  
14 to institute a modest program to look more carefully, but I  
15 think we can do without it for the moment.

16 Unfortunately, '79 is a whopping bulge. We've got  
17 some kind of a graph from Saul that shows a peak in the safety  
18 research total dollar efforts because LCFT is still running at  
19 a very high level. And other things are coming in so that  
20 there is a '79 peak that comes down a little in '80. It will  
21 be interesting to see next year if that, in fact, is the case.

22 Do you think it will move over one?

23 CHAIRMAN KENNEDY: They also tend to.

24 CHAIRMAN HENDRIE: But there's a certain amount of  
25 merit in deferring things that are reasonable to defer.

1 Out of the <sup>\$</sup>1.5 million, the best I can see doing  
 2 would be to allow him a half million dollars to carry on at a  
 3 reduced level those things he felt were absolutely close to his  
 4 heart and phase out others.

5 COMMISSIONER KENNEDY: That sounds good to me.

6 MR. BARRY: Okay. <sup>\$</sup>.5<sup>M</sup>

7 CHAIRMAN HENDRIE: Is that a durable --

8 MR. GOSSICK: NRU, is that agreed to?

9 MR. BARRY: Yes.

10 CHAIRMAN HENDRIE: Let' see. You've now got <sup>\$</sup>21.950<sup>M</sup>;  
 11 we're talking about <sup>\$</sup>24.050<sup>M</sup>. Do I get an okay there?

12 MR. COOPER: <sup>\$</sup>24,050<sup>M</sup>.

13 MR. BARRY: Right.

14 CHAIRMAN HENDRIE: Grand total.

15 Primary system integrity is okay.

16 MR. BARRY: Right.

17 CHAIRMAN HENDRIE: Site safety. The only thing in  
 18 issue with Lee's mark was \$600,000 worth of tornadoes. It seems  
 19 to me -- why don't we shrug on that. The Safety Research  
 20 Budget -- how much did it turn out to be? \$150-odd million.  
 21 It might be interesting to see if he <sup>find</sup> ~~could~~ <sup>\$</sup>600<sup>000</sup> in there or  
 22 some appropriate number to do it anyway.

23 Okay.

24 It's probably great stuff.

25 Furthermore, he got a half a million dollars back

1 from the Budget Review Committee when Lee --

2 COMMISSIONER KENNEDY: So that makes it <sup>\$</sup>6.050<sup>M</sup>?

3 CHAIRMAN HENDRIE: It makes it <sup>\$</sup>6.650<sup>M</sup>,

4 COMMISSIONER KENNEDY: Which it is.

5 CHAIRMAN HENDRIE: Which is the EDO mark, right.

6 I'm saying, my goodness.

7 COMMISSIONER KENNEDY: Let's leave it there. Agreed.

8 CHAIRMAN HENDRIE: Let's turn to fast reactor things.

9 Here is this affair where there are certain things --

10 COMMISSIONER KENNEDY: He's got a new number which  
11 he's suggesting.

12 COMMISSIONER GILINSKY: <sup>\$</sup>13.5<sup>M</sup> for '78.

13 MR. BARRY: <sup>\$</sup>15.9<sup>M</sup> for '79 in lieu of the <sup>\$</sup>16<sup>M</sup>.

14 CHAIRMAN HENDRIE: <sup>\$</sup>15.9<sup>M</sup> is a fairly vigorous  
15 increase. How about <sup>\$</sup>15<sup>M</sup>? That's still, I think, very  
16 respectable. It's like 11 percent. Certainly gives him infla-  
17 tion and, you know, a very modest --

18 COMMISSIONER KENNEDY: Gives him room to take  
19 care of some of those things that are ongoing and which it  
20 would be nice to just clean up.

21 CHAIRMAN HENDRIE: Yes.

22 The '78 number is at about <sup>\$</sup>13.5<sup>M</sup> puts him in the  
23 business of starting those things. And then if we allow him --

24 COMMISSIONER KENNEDY: Some of them are ongoing now.  
25 Started this year.



1 COMMISSIONER GILINSKY: Why does he really need to  
2 be -- I mean the growth is really slow. Why does he have to  
3 be on more than, say, inflationary? What is happening to the  
4 ERDA program.

5 CHAIRMAN HENDRIE: I guess it is pretty hard to --

6 COMMISSIONER KENNEDY: It's going up.

7 MR. BARRY: Yes, it is. They have got \$500 million  
8 in fast reactors. Evidently they're not going down. They're  
9 not necessarily going up.

10 COMMISSIONER KENNEDY: Somebody told me that they  
11 were going up somewhat. The CRBR was going up.

12 COMMISSIONER GILINSKY: I don't see how they could  
13 be up. Let's see, are they going up in '79? I guess they  
14 are going through the same exercise. I would imagine they could  
15 get something going much before '80 --

16 CHAIRMAN HENDRIE: I would think they would be, you  
17 know, dropping over through late '78 and '79 for the most  
18 part with conceptual schemes, what do you think of this, what  
19 do you think of that, what do you think of the other thing.

20 COMMISSIONER GILINSKY: A slower start, that would  
21 take <sup>\$</sup>13.5<sup>M</sup> plus inflation.

22 CHAIRMAN HENDRIE: Will <sup>\$</sup>13.5<sup>M</sup> do it or that pinching  
23 them?

24 MR. BARRY: You mean for '78? That would do it.

25 That will sustain program objectives. They would be happy with

1 that. They say they will not dissipate any facilities at  
2 that level.

3 If you inflate that at 6.5 percent, you're at 14.4.  
4 So if you give them 15 million, that gives them a little bit  
5 of slack there to grow.

6 CHAIRMAN HENDRIE: <sup>6.5%</sup>~~6.6~~ is shy, isn't it?

7 MR. BARRY: Sir? You mean on inflation? It looks  
8 like our pay raise; it's going to be 7.1<sup>2%</sup><sub>1</sub>, which is the firm  
9 CPI Index number.

10 COMMISSIONER GILINSKY: The last few years were not  
11 typical; we went through a very sharp inflationary period,  
12 where we were like over 10 percent.

13 COMMISSIONER KENNEDY: What is OMB factoring?

14 MR. BARRY: They don't factor any. In fact, they  
15 have got a ridiculous A-11 that says you will not crank in  
16 inflation in budget estimates. We have all told them that's  
17 asinine. And we've all told them this year that we have 6.5<sup>4%</sup><sub>1</sub>  
18 us and ERDA, we both did the same factor.

19 COMMISSIONER KENNEDY: You used 6.5<sup>0%</sup><sub>1</sub> throughout the  
20 budget?

21 CHAIRMAN HENDRIE: I'll go for that.

22 COMMISSIONER KENNEDY: But you had factored 6.5<sup>9%</sup><sub>1</sub>  
23 throughout the budget?

24 MR. BARRY: Well, the individual offices did.

25 (Simultaneous conversation.)



CHAIRMAN HENDRIE: Call it <sup>\$ M</sup>15?

Call it <sup>\$ M</sup>15.

COMMISSIONER KENNEDY: That's okay. That's all right. That's enough.

MR. BARRY: They said if anything less than <sup>\$ M</sup>15.9, then they wouldn't need <sup>\$ M</sup>13.5 -- they couldn't use <sup>\$ M</sup>13.5.

CHAIRMAN HENDRIE: I would be interested to see -- if that's the case then maybe we can recast the whole thing. But I would be interested to see what they think they could do with this.

MR. BARRY: They'll take it.

COMMISSIONER KENNEDY: What they will do is they will move some of the things that would otherwise have been done in '79 into '78 and use the <sup>\$ M</sup>13.5 so that they will be okay with the <sup>\$ M</sup>15 in '79.

MR. BARRY: If they are smart, they will.

COMMISSIONER KENNEDY: Certainly.

MR. BARRY: Okay, <sup>\$ M</sup>15 million.

CHAIRMAN HENDRIE: Gas <sup>cooled</sup> ~~cool~~, and other advanced, there wasn't any argument with the EDO mark.

Now, we get down to a <sup>SAFER</sup> ~~safer~~ division, the environmental area where people seem to agree pretty well.

In fuel cycle, S&E, what's the title of this decision unit?

MR. BARRY: Fuel cycle?



1 CHAIRMAN HENDRIE: Yes.

2 Oh, safety and environmental effects. I see.

3 There was a argument for --

4 COMMISSIONER GILINSKY: Not much waste, as I remember.  
5 Most of the waste is in the NMSS.

6 COMMISSIONER KENNEDY: That's right.

7 CHAIRMAN HENDRIE: They list it, but let's see, is  
8 there a breakout in the summary program?

9 No.

10 Just looking for a breakdown within it. You've  
11 probably got one in the viewgraphs. There are some tasks in  
12 there that they may not feel that urgent these days. In the  
13 integration with NMSS, this may not be as good -- almost  
14 certainly isn't as good as it is on the reactor side --

15 COMMISSIONER GILINSKY: The problem is we don't  
16 give it much of our money somehow. Dollars spent here as  
17 opposed to dollars spent in program support in NMSS.

18 CHAIRMAN HENDRIE: Let's see, they ask for 1. --  
19 oh, wait a minute. I have something that would help to explain  
20 what is going on.

21 COMMISSIONER GILINSKY: What is the '73 number for  
22 program support in that area?

23 MR. BARRY: In fuel cycle? \$ 9.1 million.

24 COMMISSIONER GILINSKY: So it is the same number?

25 MR. BARRY: Same number.

1 COMMISSIONER GILINSKY: What's the number for  
2 environment?

3 CHAIRMAN HENDRIE: Like <sup>\$</sup>4.5<sup>M</sup>.

4 COMMISSIONER GILINSKY: Also the same number?

5 CHAIRMAN HENDRIE: '78 is <sup>\$</sup>3.65<sup>M</sup> EDO mark. '79  
6 is <sup>\$</sup>4.5<sup>M</sup>.

7 COMMISSIONER GILINSKY: And safeguards '78?

8 CHAIRMAN HENDRIE: The safeguards -- I'll get there  
9 in a minute. Safeguards '78 is <sup>\$</sup>7.64<sup>M</sup> dropping to <sup>\$</sup>6.65<sup>M</sup> EDO  
10 mark in '79.

11 COMMISSIONER GILINSKY; I tell you, I really think  
12 that they probably notice a several million dollar cut in that.

13 CHAIRMAN HENDRIE: Why don't we ignore the hooting  
14 and hollering about <sup>\$</sup>1.9<sup>M</sup> in fuel cycle S&E, and the <sup>\$</sup>...<sup>M</sup> in  
15 safeguards and stay with the EDO mark, which represents a --  
16 well, it's <sup>\$</sup>25,000 less than in '79 for fuel cycle and drops  
17 a million in safeguards. Or do you want to --

18 COMMISSIONER GILINSKY: Well, <sup>\$</sup>3.7<sup>M</sup> above what they  
19 are asking.

20 ~~COMMISSIONER GILINSKY:~~ These numbers are really too  
21 high. Here we are spending more money on a handful of facilities  
22 than the owners are spending on their protection out there and  
23 we are sort of making this offering to the gods at Livermore.  
24 It's really out of whack. There's several million in safe-  
25 guards program support.

1 NMSS, we're really basically guardians of a dozen  
2 facilities.

3 COMMISSIONER KENNEDY: But this safeguard is not just  
4 associated with fuel cycles, is it? Reactors, too.

5 COMMISSIONER GILINSKY: Reactors, too.

6 COMMISSIONER KENNEDY: And it also involves a lot  
7 of work done by Thursdon(?) on materials accountability --

8 COMMISSIONER GILINSKY: That's why I don't think --

9 CHAIRMAN HENDRIE: Do you want to drop that and  
10 drop back to level 1?

11 COMMISSIONER GILINSKY: What is level 1?

12 CHAIRMAN HENDRIE: Level 1 is <sup>\$</sup>6 million; the EDO  
13 and the BRG were <sup>\$</sup>6.65<sup>M</sup>. Research's level 2 was <sup>\$</sup>7.6<sup>M</sup>.

14 COMMISSIONER GILINSKY: Yes, I guess level 1 would  
15 be all right.

16 COMMISSIONER KENNEDY: What was your reason, Lee,  
17 for adding the <sup>\$</sup>650,000 to the level 1?

18 CHAIRMAN HENDRIE: That's why they call him  
19 big-hearted.

20 COMMISSIONER KENNEDY: Just take a look at the  
21 numbers and let's add halfway in between or something.

22 CHAIRMAN HENDRIE: It's a little lower than that.

23 COMMISSIONER KENNEDY: It's just a good round number.

24 CHAIRMAN HENDRIE: The Budget Review Committee

25 settled down on the ~~665~~ \$6.65 M



1 MR. GOSSICK: What are are you talking about?  
2 Safeguards?

3 COMMISSIONER KENNEDY: Safeguards.

4 MR. GOSSICK: The BRG came out on this \$6.650<sup>M</sup> as a  
5 number and I agreed with it. I'm trying to recall now how  
6 they got that first level 1 or level 2.

7 There was apparently some minor adjustments.

8 CHAIRMAN HENDRIE: That gets them off level 1,  
9 doesn't it?

10 How does that strike you, Dick?

11 COMMISSIONER KENNEDY: That's fine.

12 CHAIRMAN HENDRIE: About half a million. Leave it  
13 6.1. That gets marginally above level 1.

14 COMMISSIONER KENNEDY: That's fine.

15 MR. GOSSICK: What was the number?

16 COMMISSIONER KENNEDY: \$6.15<sup>M</sup>

17 CHAIRMAN HENDRIE: We had a proposal here at \$6.150<sup>M</sup>  
18 which is down a half million from your mark; is \$150,000<sup>\$</sup> more  
19 than level 1.

20 And level 1 says, "Provide research and evaluation  
21 methods for certain safeguard system, contingency planning  
22 for agency activities, data collection, validation of sub-  
23 stances, NDS measurements, standards efforts, limited efforts  
24 on safeguards policy."

25 COMMISSIONER KENNEDY: That doesn't sound bad.

1 My recollection is that level 2 says you do a  
2 little more of each of those things.

3 CHAIRMAN HENDRIE: Level 2. "Added resources  
4 applied to threat detection, insider conversion, diversion of  
5 materials, armed encounter, and relative attractiveness of  
6 targets." It sounds to me like that's a relatively attractive  
7 target for Henry <sup>Myers</sup> ~~Meier~~, and it's just as well we got it down  
8 below that.

9 (Laughter.)

10 COMMISSIONER GILINSKY: What we need is some zero-  
11 based budgeting.

12 CHAIRMAN HENDRIE: It's a great system.

13 COMMISSIONER KENNEDY: Shall we move on to risk  
14 assessment?

15 CHAIRMAN HENDRIE: What shall we do with fuel cycle  
16 safety and environment? Leave it at the Budget Review Group  
17 EDO, or do you want to solve that one?

18 COMMISSIONER GILINSKY: Well, are they doing good  
19 things?

20 CHAIRMAN HENDRIE: They're doing a variety of  
21 things, I don't know. That <sup>SAFER</sup> ~~safer~~ division in Research is a bit  
22 of a problem: it's sort of a weak sister. And it has trouble  
23 seeming to get itself organized and, you know, well-integrated  
24 so we tend to hold the funds down and I guess --

25 COMMISSIONER GILINSKY: Really, I mean, we threw

1 some money in there in the beginning but not really knowing  
 2 what it was for. You had to do that. I think they really had  
 3 trouble spending the money and figuring out things to spend it  
 4 on. And I think they're really sort of in that -- I think,  
 5 you know, like a 30 percent cut or something would not affect  
 6 them in any significant way; you know, across their whole  
 7 division.

8 CHAIRMAN HENDRIE: It's not going to be a 30 percent  
 9 cut, but if you allow for a reasonable increment for escalation,  
 10 which level funding is, a 7-odd percent cut, and then the few  
 11 things in here, you come out with a noticeable kick.

12 Do you want to leave it? The EDO is down just  
 13 marginally.

14 COMMISSIONER KENNEDY: Marginally is just about  
 15 what it was, isn't it?

16 CHAIRMAN HENDRIE: In '77, it's <sup>\$9.1M</sup> ~~91.~~; '78, <sup>\$</sup>9.125;  
 17 BRG and EDO is <sup>\$</sup>9.1<sup>M</sup> in '79; so you, in effect, are pulled down.  
 18 You are kidded each year by the escalation.

19 COMMISSIONER KENNEDY: It's like environment. Again,  
 20 those must be level just about.

21 CHAIRMAN HENDRIE: <sup>\$</sup>4.685<sup>M</sup>, <sup>\$</sup>3.65<sup>M</sup>, <sup>\$</sup>4.5<sup>M</sup>, '77, '78, it  
 22 goes like that.

23 And I guess that was because it looks as though it  
 24 wasn't being effectively spent, and I can understand that. I  
 25 don't think they are very strong.



1 COMMISSIONER KENNEDY: Why should we let it go back  
2 up in '79?

3 What was the level 1 figure there?

4 *jm* MR. BARRY: <sup>\$</sup>3.465<sup>M</sup>.

5 COMMISSIONER GILINSKY: I was impressed by the fact  
6 that we had a strong manager in NMSS, such as in the waste area.  
7 He basically sucked up all the money. That's probably a more  
8 effective way to run things, given that this is a relatively  
9 small, factual effort. I mean, you wouldn't want the reactor  
10 people running \$30 million projects out of licensing.

11 CHAIRMAN HENDRIE: There's a certain amount of the  
12 environmental effects work in Research is associated with build-  
13 ing the experimental base under the consequence side of that  
14 RES fund; things like the inhaled radio nuclei effects on  
15 lungs and so on, which he argued strongly to put back in.  
16 I think there are some things like that in there that would  
17 not necessarily have occurred under the title "environmental  
18 effects" that are useful in the sense that they are going to be  
19 underlying data in a couple of years.

20 COMMISSIONER GILINSKY: I also think there's not  
21 much of an inclination to really get those projects moving.

22 COMMISSIONER KENNEDY: In just these fields.

23 COMMISSIONER GILINSKY: I think they could be of  
24 enormous use.

25 COMMISSIONER KENNEDY: To NRC.

1 MR. GOSSICK: The problem here -- do you remember  
2 Saul's charts where he had some different colored bar charts  
3 and he was trying to show how he was going to predict what he  
4 needed in maybe <sup>out</sup> ~~odd~~ years. He can't tell you what's in that  
5 <sup>\$</sup> 7 million or <sup>\$</sup> 9 million. It's undefined. He needs our -- except  
6 for some continuation perhaps of some ongoing work now. But  
7 what he is predicting -- and here's the issue between BRG and  
8 myself and Saul -- he, based on experience, says that they are  
9 going to come with user requirements which require this amount  
10 of moneys.

11 COMMISSIONER KENNEDY: Sort of level of effort.

12 MR. GOSSICK: It's more than level of effort,  
13 Mr. Kennedy; he's saying it's an increasing level of effort  
14 based on, you know --

15 COMMISSIONER KENNEDY: Increasing level not yet  
16 defined.

17 MR. GOSSICK: Right, exactly.

18 COMMISSIONER KENNEDY: We both have got a couple of  
19 others of those.

20 MR. GOSSICK: It is a difficult area. I'm not sure  
21 that OMB did us any great favor on that when they insisted  
22 that this be included in our charter, our Energy Reorganiza-  
23 tion Act.

24 CHAIRMAN HENDRIE: Let' see. We decided what to do  
25 on safeguards and I think that's fair enough.

1 The root question with regard to the environmental  
2 decision unit and the fuel cycle safety and environment decision  
3 unit is, do you want to stay at Lee's mark which is also the  
4 BRG mark --

5 COMMISSIONER KENNEDY: Which is essentially level 1.

6 CHAIRMAN HENDRIE: Or do you want to cut down?

7 I don't know. I find it hard to make a judgment.

8 COMMISSIONER KENNEDY: Remember, in level 1, the  
9 presumption is that if you cut down, you cut out. Level 1 is  
10 supposedly the number below which you can't go without just  
11 canceling the project.

12 CHAIRMAN HENDRIE: I tend to vote with the Budget  
13 Review Group just because I don't want to have to investigate  
14 this as thoroughly as I hope they did.

15 Okay.

16 MR. BARRY: Let's see. On power plant and environ-  
17 mental, we stay at <sup>\$</sup>4.5 million.

18 CHAIRMAN HENDRIE: That would stay at <sup>\$</sup>4.5<sup>M</sup>, about  
19 which there wasn't any disagreement.

20 MR. BARRY: Fuel cycle, we hold it at <sup>\$</sup>9.1<sup>M</sup> instead of  
21 the <sup>\$</sup>11<sup>M</sup>.

22 And safeguards, we hold it at <sup>\$</sup>6.650<sup>M</sup>.

23 COMMISSIONER KENNEDY: <sup>\$</sup>6.150<sup>M</sup>.

24 MR. GOSSICK: You were out of the room when we lost  
25 that.



1 MR. BARRY: Was there a disputed item that you cut  
2 out?

3 CHAIRMAN HENDRIE: No, we just dropped back to level  
4 1 and then added a little lubrication. So whatever they had in  
5 level 1, do that, and he's got that in change.

6 COMMISSIONER KENNEDY: We've not dealt with risk  
7 assessment yet.

8 CHAIRMAN HENDRIE: They weren't complaining about  
9 the program support dollars at risk assessment and I am assum-  
10 ing that we take a cheerful latitude for that activity and,  
11 on the other hand, I wouldn't force more money on them than  
12 they --

13 COMMISSIONER KENNEDY: That they asked for.

14 CHAIRMAN HENDRIE: -- than they agreed to. They  
15 asked for <sup>\$</sup>3.6<sup>M</sup> and Lee put <sup>\$</sup>3.4<sup>M</sup> and that's hardly worth their  
16 arguing about. So I would say it's no use to give them more  
17 than that. So that is plus zero equals 3.4 million dollars.

18 Working back up the people's side.

19 Let's start at risk assessment. I want to start  
20 at the bottom because that's the big chunk and that's, I think,  
21 where the central discussion comes.

22 COMMISSIONER KENNEDY: This is risk assessment?

23 CHAIRMAN HENDRIE: Yes.

24 COMMISSIONER KENNEDY: Are we going to get up to

25 LOFT, too?

1 CHAIRMAN HENDRIE: Yes. Be there in a minute.

2 COMMISSIONER KENNEDY: Because I have a question.

3 CHAIRMAN HENDRIE: He's asking for a 10-man incre-  
4 ment to underlie the option 3 attack on the Rasmussen thing.  
5 It's not clear to me -- and that would constitute essentially  
6 the whole block of manpower which go into refurbishing of the  
7 WASH-1400 enterprise a couple of years later.

8 It may be a little large. Maybe it could come in  
9 two chunks. By this time next year, we'd all be smarter,  
10 hopefully, at least wiser. More experienced.

11 COMMISSIONER GILINSKY: I think it could come in  
12 two chunks.

13 The other part is, I wouldn't want to be buying  
14 into plans on how to deal with Rasmussen II.

15 CHAIRMAN HENDRIE: Yes, "I" is worth a little more  
16 consideration.

17 COMMISSIONER GILINSKY: And, you know, I don't even  
18 want to decide we are done over there. You might want to do  
19 it the same way that Rasmussen I was done. There are a lot of  
20 aspects to this.

21 CHAIRMAN HENDRIE: Yes. But even if you do it that  
22 way, Vic, you're going to end up taking 5-10 people out of this  
23 branch.

24 MR. GILINSKY: Oh, yes, right.

25 CHAIRMAN HENDRIE: And giving them to whoever --

1 COMMISSIONER GILINSKY: Right, right, yes.

2 You might as well start putting them in there.

3 CHAIRMAN HENDRIE: I think it's a highly worthwhile  
4 enterprise, and I suggest about plus 5 -- let's see, let's go-  
5 back and review the bidding on this one.

6 COMMISSIONER GILINSKY: I think he had plus 8,  
7 didn't he?

8 CHAIRMAN HENDRIE: He wanted 9, and today it looked  
9 like 10.

10 MR. GOSSICK: His initial submittal, you know, he  
11 wanted --

12 CHAIRMAN HENDRIE: I think it's a campaign to keep  
13 us from calling it back; he raises the ante by one each time  
14 he comes. I have the feeling it's a tax for being called back.

15 MR. BARRY: Where do you end up?

16 CHAIRMAN HENDRIE: Well, let me review the bidding.

17 MR. BARRY: You gave him 3 for that purpose.

18 CHAIRMAN HENDRIE: His present strength, including  
19 the overhead addition, which turns out to be about 6 people,  
20 is 19.

21 The '78 level is 21, of which -- the EDO mark is  
22 24, which made against an original request by Saul of 26.

23 Okay?

24 That is plus 5 from '78. Subsequently he thought  
25 more about it and decided, say, how about 4 or 5 more than that.



1 I would suggest the plus 5. I think it's an area,  
2 a methodology that could usefully grow and this puts a little  
3 growth into it and still doesn't commit you to that block of  
4 10.

5 MR. GOSSICK: This morning he asked for 28 in '79.

6 CHAIRMAN HENDRIE: That's very confusing.

7 MR. GOSSICK: If you give him 5 on top of my 24,  
8 you're giving him one more than he's asked for.

9 COMMISSIONER KENNEDY: No, you meant to give him  
10 5 from the '78.

11 MR. GOSSICK: Oh, '78 number.

12 COMMISSIONER KENNEDY: Which is 21.

13 MR. GOSSICK: Which gives him 26.

14 COMMISSIONER KENNEDY: We give him 2 more than the  
15 EDO mark.

16 CHAIRMAN HENDRIE: Right.

17 MR. BARRY: What is the basis of our justification  
18 in front of OMB on this one?

19 CHAIRMAN HENDRIE: That this is the wave of the  
20 future and we need to keep building and that there is activity  
21 in training --

22 COMMISSIONER KENNEDY: Being the wave of the future,  
23 this is just some investment in a surfboard.

24 MR. BARRY: We just lost one. Now, what's the next  
25 argument?

(Laughter.)

CHAIRMAN HENDRIE: You are building the strength of the branch and some of these people, however we end up going forward to do the next cycle on the Rasmussen sort of methodology, the examination of plants, or we carry it on to a fuel facility, or whatever, why these are people that are going to get thrown into the breach on that.

MR. BARRY: I think one of the questions they'll ask, is what -- give me examples of some sort of payoff licensing process like all other research.

CHAIRMAN HENDRIE: Some of these recent experiences in dealing with the potential safety problems enumerated by individuals in response to an invitation are first-class examples and I think you ought to have that in hand, whoever talks to them, ought to have that in hand. And we need to begin to move this technology into the licensing branches. And it means that the probabilistic assessment branch will be doing a training exercise and that they will have manpower tied up in training operations for some years to come as we muscle Ed Case to send bright guys over to pick up the trade.

MR. BARRY: I would think just basically our justification for risk assessment -- in our business, it would be pretty fundamental. But it's like anything else, as much as we have got a number now, we'll have to demonstrate why we need that number increased.

1 COMMISSIONER GILINSKY: Well, I think you can just  
2 say Rasmussen a couple of time.

3 (Laughter.)

4 CHAIRMAN HENDRIE: Say it 3 or 4 times.

5 MR. BARRY: All right.

6 CHAIRMAN HENDRIE: Now, is that going to be -- now,  
7 I wonder is that going to be enough?

8 COMMISSIONER GILINSKY: It's quite a few in risk  
9 assessment, isn't it?

10 CHAIRMAN HENDRIE: It's about a 50 percent growth  
11 over his current branch strength, because there are about a  
12 half dozen, 6, 7, overhead people that you pull out. That  
13 means the branch goes from 13 now to about 20 then.

14 COMMISSIONER GILINSKY: A highly-specialized group.  
15 What are the people under Steve doing?

16 MR. GOSSICK: It's an entirely different kind of  
17 thing. They do statistical across the board for all of the  
18 offices?

19 CHAIRMAN HENDRIE: Who?

20 MR. GOSSICK: Steven Hanauer, statistical.

21 COMMISSIONER GILINSKY: How many of them are there?

22 MR. GOSSICK: 4, I think.

23 CHAIRMAN HENDRIE: How necessary is that function?

24 MR. GOSSICK: Well, you know, I've asked that  
25 question several times and we are prepared to give you all a



1     rundown if we have time.

2             Actually, they could do a lot more. I mean, there's  
3     a lot more work that should be done than they could handle.

4             (Simultaneous discussion.)

5             MR. GOSSICK: Where else can I put it? We can  
6     break up the statisticians --

7             COMMISSIONER KENNEDY: You've got PLA, you've got  
8     controller, and you've got MIPC. You've got all kinds of  
9     things.

10            COMMISSIONER GILINSKY: Or they could be in one of  
11     the line offices certainly and work for everybody.

12            COMMISSIONER KENNEDY: Like they do with safeguards  
13     and other things.

14            COMMISSIONER GILINSKY: Roughly.

15            COMMISSIONER KENNEDY: All line offices do that  
16     almost every day.

17            MR. GOSSICK: There's a background on this. The  
18     thing got set up under the old Commission and we brought a  
19     guy in and made a commitment to him he was going to be the  
20     number one statistician, you know, reporting directly to the --  
21     first, it was proposed to put him in licensing. Bill Kreigman(?)  
22     said no, he can't be there. You've got to have him somewhere  
23     where he's independent. So they talked about putting him and --

24            CHAIRMAN HENDRIE: Yes, I was all set to set up an  
25     office like that at one point.

1 MR. GOSSICK: Anyway he ended up working for Hanauer.  
2 And you've got it. It's a long story, but he can<sup>be</sup> in other  
3 places; he doesn't have to be there. You've seen some of the  
4 work, some of the examples of the kind of stuff that is done.  
5 They've actually got to turn work away. They can't handle all  
6 the stuff the staff would like to do.

7 We put a litt' seed money in there, I think this  
8 year, to have these guys act as brokers to help the staff find  
9 where they can go and get help, the labs or some other source.

10 MR. BARRY: Perhaps when you gentlemen get together  
11 and talk about PLA, RPE, you can talk about this one also.  
12 It's a part of that.

13 CHAIRMAN HENDRIE: Yes.

14 I'm at 26 in this crowd and I'm asking whether they  
15 need another man or two. What are people's opinions?

16 We thought 24; I think a couple wouldn't hurt.  
17 Does anybody feel they would like to go up another 1 or 2.

18 COMMISSIONER KENNEDY: I would not go beyond the 26.

19 CHAIRMAN HENDRIE: He ought to accept that. I'm  
20 sure we will have a request for more people in the area for  
21 '80. But, okay. And if something turns up, some compelling  
22 reason why they ought in '79 to go above this strength, why we  
23 will have to look around --

24 COMMISSIONER KENNEDY: Sometime during this year,  
25 we ought to think this thing through to know exactly where this

1 program is going. And in more definite terms, who is going to  
2 do what parts of it than we know right now.

3 CHAIRMAN HENDRIE: Okay, in the <sup>SAFER</sup>~~safer~~ division,  
4 they would have to like 2 people in fuel cycle and 3 people in  
5 safeguards. Let me look and see what their level 1 is. I  
6 sort of have the intuitive feeling that you are going to take --

7 MR. BARRY: He corresponds to the increase in  
8 dollars.

9 CHAIRMAN HENDRIE: I find it hard to support an  
10 increase there; okay? EDO mark?

11 MR. BARRY: Stay with 13 in safeguards.

12 COMMISSIONER GILINSKY: Yes.

13 MR. BARRY: It's a level 1 and 1/10th. It's not  
14 quite level 2.

15 COMMISSIONER KENNEDY: That's fine.

16 CHAIRMAN HENDRIE: And fuel cycle.

17 MR. BARRY: Again, that was associated with the  
18 increase in program support. 17 people to match 11 million.

19 COMMISSIONER KENNEDY: The EDO says 15?

20 MR. BARRY: 15 to match the <sup>\$</sup>9.1<sup>M</sup>.

21 COMMISSIONER KENNEDY: That's fine.

22 COMMISSIONER GILINSKY: I guess there are a lot  
23 of little contractors. Sort of a man per million dollars.

24 MR. BARRY: That would -- I don't know that there  
25 are a lot of little contracts, but I <sup>suspect</sup>~~suspicion~~ there are.



1 COMMISSIONER KENNEDY: There is where they have got  
2 all those \$50,000 contracts for all those people all over the  
3 country, one at a time.

4 CHAIRMAN HENDRIE: Environmental effects, plus zero.  
5 Okay. Hold at the 9.

6 Okay, I'm backing my way up to the gas-cooled.

7 Hold at 4.

8 COMMISSIONER KENNEDY: Probably at minimum, isn't it?

9 CHAIRMAN HENDRIE: Yes. Flat as a pancake.

10 The fast business is -- was there a complaint on  
11 that? I guess there were requests for plus 1's all the way  
12 up the line. I'd be inclined to hold at the 15 mark.

13 COMMISSIONER KENNEDY: That represents an increase,  
14 doesn't it?

15 CHAIRMAN HENDRIE: No, a decrease. I think so.

16 MR. COOPER: It's a decrease of one.

17 CHAIRMAN HENDRIE: Yes, the decision unit shows a --  
18 Site safety, hold at 12.

19 I'm proceeding ahead. People holler if they --  
20 Primary system integrity.

21 COMMISSIONER GILINSKY: They have sort of twice  
22 the usual ratio of men to dollars, don't they? Is there some  
23 particular reason?

24 CHAIRMAN HENDRIE: I imagine -- let's see -- is it  
25 that far off?

1 COMMISSIONER KENNEDY: It's the reverse.

2 CHAIRMAN HENDRIE: Compared to the fast reactors,  
3 that's correct, and I am sure when you get to hardware programs,  
4 why the money disappears at a high rate. When you're dealing  
5 in site safety, that will be a lot of seismic studies --

6 COMMISSIONER GILINSKY: That's a lot of small projects.

7 CHAIRMAN HENDRIE: You get a soft contracts and you  
8 get a lot of management detail per dollar.

9 COMMISSIONER KENNEDY: It's about like safeguards.

10 CHAIRMAN HENDRIE: Yes, the site safety --

11 COMMISSIONER KENNEDY: Systems integrity.

12 CHAIRMAN HENDRIE: In fact, it's about the same as  
13 the -- and on primary systems integrity, I guess, anybody?

14 There was a request for one more than the EDO mark,  
15 which was sort of a -- plus zero for 11?

16 Objections? •

17 (No response.)

18 Fuel behavior; are they going to need a guy to keep  
19 track of the Canadian, the extended Canadian operation?

20 MR. COOPER: You're talking in terms of a half a  
21 man-year, and that combined with <sup>PBF</sup>~~PSW~~, they can justify an  
22 additional man.

23 CHAIRMAN HENDRIE: Okay. Is that okay?

24 MR. BARRY: Give them a total man-year here.

25 CHAIRMAN HENDRIE: I guess so, yes. That would mean

1 plus 1 to 15 for this decision unit. Right?

2 Code development. I know that crowd in there, some  
3 of them are better than others, but -- I think they are doing  
4 all right.

5 COMMISSIONER KENNEDY: What do you suggest, leave  
6 it the way it is?

7 CHAIRMAN HENDRIE: Hold it at 11. That's a level of  
8 '78 and it's also the EDO mark. We did the same on the dollars.

9 LOFT, everybody seemed cheerful about. Plus zero  
10 to 16.

11 COMMISSIONER KENNEDY: I'm not exactly sure why  
12 LOFT is going to take 16 people in '79 when all the construc-  
13 tion work in terms of all kinds of people tramping back and  
14 forth across the landscape over the past two years are behind  
15 us. Now, they're running well-designed, hopefully, well-  
16 integrated experimental programs. Why does it take a constant  
17 number of people?

18 MR. BARRY: I guess in part it is because we take  
19 over the operating responsibility. We literally have the  
20 operating responsibility.

21 COMMISSIONER KENNEDY: What does that mean, as a  
22 practical matter? The contractor is operating it. All it  
23 means is we are going to pay for it.

24 MR. BARRY: Put a guy on site out there.

25 COMMISSIONER KENNEDY: We've got two people out



1 there now.

2 MR. GOSSICK: I would guess they'll argue that where  
3 we won't have as many people running back and forth on con-  
4 struction fabrication problems, that now we are going to start  
5 pumping data, hopefully, very shortly and viewing the results.  
6 Whether that's a valid argument, I don't know.

7 COMMISSIONER KENNEDY: On that point, I will defer  
8 to the Chairman.

9 CHAIRMAN HENDRIE: I am inclined to go with the  
10 <sup>B</sup>udget Review Group and these aren't, in particular, aspects --  
11 BRG has had a long history of looking at this.

12 MR. BARRY: Steve looked into this one pretty hard.

13 CHAIRMAN HENDRIE: I expect we would have had a  
14 holler from the BRG <sup>if</sup> there had been any opportunity to drop  
15 people.

16 On the LOFT decision unit, there is a \$2.6 million  
17 swing; now, those are for some refurbishing and repairs at the  
18 Idaho site which you think you can sell to ERDA or whomever  
19 they may be --

20 MR. GOSSICK: We have taken the view that it is not  
21 proper that we fund this; that we will do our damndest to get  
22 OMB to insist that ERDA put it in their budget. ERDA --  
23 whether they will voluntarily budget for it in light of many  
24 other similar kinds of problems and requests they have got from  
25 their --

1 COMMISSIONER KENNEDY: Well, as I indicated to you,  
2 one of the problems here is that it is LMFBR program in ERDA.

3 CHAIRMAN HENDRIE: And they're not going to be very  
4 happy to see it continuing.

5 COMMISSIONER KENNEDY: It ought to be taken out of  
6 the LMFBR program of ERDA and put someplace else in the ERDA  
7 program.

8 MR. GOSSICK: Well, our intention is to work with  
9 the OMB people to make --

10 CHAIRMAN HENDRIE: Well, I think the approach that  
11 you need to take with the OMB is that these are pretty essential  
12 things. You know, we're not talking about refurbishing the  
13 officer's club or putting new mattresses in.

14 COMMISSIONER KENNEDY: Things need to be done.

15 CHAIRMAN HENDRIE: It's liquid waste upgrading, for  
16 god's sakes, you know, we're going to have a low-level spill with  
17 trace contaminant. Fire protection. Roof repairs, for god's  
18 sake.

19 COMMISSIONER KENNEDY: This stuff has got to be  
20 done.

21 CHAIRMAN HENDRIE: So I think we take the view that  
22 it is essential and if OMB insists that it appear in our  
23 budget, why I guess then we ought to put it in and go forward  
24 and try to bear the burden with the Congress. But if they  
25 will put it in the ERDA budget in some appropriate place,

1 we think that is probably -- since it continues to be their  
2 laboratory, a more appropriate affair.

3 MR. COOPER: But I can't shirk that by saying if  
4 they are not going to do it, we'll put it in; that's not --  
5 but if they're not cooperative, if we hammer on OMB --

6 CHAIRMAN HENDRIE: I think we have to deal with  
7 OMB on the basis that this <sup>\$</sup>2.6 million has got to go someplace.  
8 And it is quite clear to us where it ought to go, but if they  
9 think differently, then why -- then jack our request.

10 MR. COOPER: Meanwhile, we'll do all we can to work  
11 with ERDA to let them know how we see the funding.

12 COMMISSIONER KENNEDY: I can't understand why ERDA  
13 put all of the Idaho facility under the -- tacked it on the  
14 fast reactor business as a funding source.

15 CHAIRMAN HENDRIE: Because they don't have -- they  
16 didn't have and still don't have, another division, which is  
17 sort of strong enough in staffing and competence to -- that is,  
18 they have got the fast reactor division and then they've got  
19 that collection of oddments. They don't have, you know, sort  
20 of a strong other reactor division which could say, yes, we  
21 will take that as an administrative chore, no problem at all,  
22 you know.

23 All of the manpower muscle is perhaps in other  
24 divisions. So even though it's a novice with regard to subject  
25 matter, why there's a staff capability and they do like we do.



1 Whether people can handle it, I think, as far as I know --

2 Systems engineering. On people, they said if we  
3 come with EBTF, you really have got to let us have one more guy  
4 to go with that. And I believe that was also your conclusion:  
5 The Budget Review Group. You had said there was a man-year  
6 associated with this.

7 MR. COOPER: EDO set aside two people along with  
8 ours.

9 CHAIRMAN HENDRIE: So systems engineering then goes  
10 plus 1. And becomes 23.

11 MR. COOPER: So we have added 4 people on to the  
12 total, up from 166 to 170 people.

13 MR. GOSSICK: We were showing 2 people on the  
14 slashed items in systems engineering. For all slashed items.  
15 We put one in the other place.

16 CHAIRMAN HENDRIE: We put one under fuel behavior.

17 COMMISSIONER KENNEDY: So now it's going to be 23?

18 CHAIRMAN HENDRIE: Yes. Systems engineering would  
19 be 23. And the total is --

20 COMMISSIONER KENNEDY: What were the other 2?

21 CHAIRMAN HENDRIE: Down in risk assessment.

22 MR. COOPER: Risk assessment.

23 COMMISSIONER KENNEDY: Both of them?

24 CHAIRMAN HENDRIE: Yes.

25 The manpower total then becomes --

1 MR. COOPER: 170.

2 CHAIRMAN HENDRIE: Then becomes 170. The dollar  
3 increment was how much?

4 MR. COOPER: \$14,800,000.

5 CHAIRMAN HENDRIE: \$14.8<sup>m</sup>, which gave a total --

6 COMMISSIONER KENNEDY: \$161,770,000.

7 CHAIRMAN HENDRIE: But that's a complete -- that's  
8 the complete Research budget.

9 MR. BARRY: No, that's program support.

10 CHAIRMAN HENDRIE: That's program support.

11 MR. COOPER: We'll have to make the adjustment.

12 CHAIRMAN HENDRIE: It seems to me that we had  
13 cleared the Office of Administration the other day. If nobody  
14 has any further thoughts or reluctance about it --

15 MR. GOSSICK: I think we might have a scheme to  
16 save about 10 spaces in the security areas we talked about.  
17 We've got a 3 or 4 slide briefing that we can show you to  
18 indicate how by phasing this over a longer period of time,  
19 we can probably do it with about half of the people that we  
20 are talking about.

21 CHAIRMAN HENDRIE: We were talking about 24.

22 It was a 48-man increment.

23 MR. GOSSICK: Right.

24 CHAIRMAN HENDRIE: You think you can do it at 38.

25 MR. GOSSICK: Yes. In '79, we can reduce our

1 requirement by 10 in the security area is what we are talking  
2 about.

3 CHAIRMAN HENDRIE: I move that we accept the offer  
4 and not hear the briefing. If you give us the briefing, we are  
5 liable to decide we could get 10 more.

6 COMMISSIONER KENNEDY: Have you got copies of your  
7 charts? Just let me have them.

8 MR. GOSSICK: Yes, we have copies of the charts.  
9 Here's one. One thing that must be understood is that, I  
10 think, as envisioned in the draft or in the proposed rule that  
11 has to do with this clearance program, there's an 18-month  
12 period specified to have everybody's people cleared and so  
13 forth. This would extend that --

14 COMMISSIONER KENNEDY: This would extend that, but  
15 preclude the people.

16 MR. GOSSICK: To approximately four years.

17 COMMISSIONER KENNEDY: Four years? Four years from  
18 18 months?

19 MR. GOSSICK: Four years or three? <

20 ~~We are:~~ It would be heavily on the side of the  
21 third year.

22 I will take the 10 cut and not listen to the brief-  
23 ing, but I want to make sure you understood what we were talk-  
24 ing about here as far as impact is concerned.

25 MR. BARRY: The reason you have to have 24 is



1 because of the peak reached to do first iteration of 12,000  
2 clearances. In order to manload it properly, in fact, what  
3 happens as a result of that, you can't get there -- (inaudible) --  
4 and then you have about a 2-year period where you need about  
5 3 man-years until you reiterate again five years later.

6 If you go back into the manpower requirement and do  
7 your initial classification in about 3 years, it works out  
8 very nicely. You need a 10-man requirement per man forever.

9 COMMISSIONER KENNEDY: Is it three years or four  
10 years?

11 *MR. BARRY:*

~~MR. FERRY:~~ It's three.

12 ~~MR. BARRY:~~ It comes out a beautiful 10 man-year  
13 requirement.

14 CHAIRMAN HENDRIE: Let's take it and move on.

15 COMMISSIONER KENNEDY: Splendid move on every  
16 count.

17 CHAIRMAN HENDRIE: Take the money and run.

18 In the Executive Director's offices, we had  
19 settled on everything except we gave, in Lee's side, Howard a  
20 chance to come in and talk to us, and our side Jim Kelley a  
21 chance to come in.

22 What is your pleasure on these two things?

23 COMMISSIONER GILINSKY: I would be inclined to  
24 leave them all except for the OGC where I just really don't  
25 understand fully --

1 CHAIRMAN HENDRIE: Well, the argument was that he's  
2 got -- that he needs in '79, 2 additional authorized slots to  
3 take --

4 COMMISSIONER KENNEDY: Because he has 2 bodies there.

5 CHAIRMAN HENDRIE: To take on to the regular roles  
6 2 interns. Now, the other thing you do is to send those interns  
7 away and get 2 new interns, is another way you keep the same  
8 number of bodies, I believe. Is that correct?

9 MR. BARRY: I'm not sure --

10 COMMISSIONER KENNEDY: Where would you put them?  
11 I mean, would you let them -- would you fire them?

12 MR. BARRY: I can check this again.

13 COMMISSIONER GILINSKY: People leave the office,  
14 you know. Somebody else is leaving.

15 COMMISSIONER KENNEDY: That's right. If there is  
16 attrition.

17 COMMISSIONER GILINSKY: Or Howard is picking up a  
18 few.

19 MR. BARRY: I checked with personnel the other day  
20 on this and all the commitments you have out for OGC either  
21 interns or full-fledged attorneys plus any attrition you have,  
22 what is the government obligation in this office? They told  
23 me 20. So I'm assuming what Jim has in mind is planning to  
24 hire maybe a couple more interns in '78, which he'll have to  
25 cover in '79.

1 COMMISSIONER KENNEDY: Does that include the vacancies  
2 for the General Counsel?

3 COMMISSIONER GILINSKY: Well, he's at 19 now.

4 MR. COOPER: My understanding is yes.

5 COMMISSIONER GILINSKY: I see. The General Council  
6 is vacant, so there's 18, plus he's got 2 interns. So that  
7 would make 20.

8 MR. COOPER: I think the way he presented it to you,  
9 as I recall, is he has 18 plus one which is 19 with a vacancy.  
10 And the Chairman asked him what is the difference between the  
11 19 and the 20, you're showing me. And the answer was 1 intern  
12 that we have on that we have to count on FY '78, which takes  
13 it up to 20.

14 MR. BARRY: But I think he's planning on hiring  
15 another couple.

16 COMMISSIONER GILINSKY: Hire someone to fill up  
17 that slot, one way or another.

18 MR. BARRY: Yes.

19 COMMISSIONER GILINSKY: You have 2 interns, that  
20 would make 22.

21 MR. BARRY: If he hires 2 more interns in '78.

22 COMMISSIONER GILINSKY: Well, if he converted the  
23 2 interns to full employees, he would have 22.

24 MR. BARRY: They would come against his rolls in  
25 '79.



1 COMMISSIONER GILINSKY: He could not hire anybody  
2 in '78, in fact. That's what that means.

3 MR. BARRY: Yes.

4 COMMISSIONER GILINSKY: If he were to use his slots  
5 in '78, he then, in '79, be in a position where he would  
6 either drop 2 or convert the interns.

7 MR. COOPER: His answer is he <sup>plans</sup> ~~plans~~ to use those  
8 two slots for secretarial positions.

9 COMMISSIONER GILINSKY: So he either ought to get  
10 new interns or we ought to give him 2 more.

11 MR. BARRY: Or attrition.

12 CHAIRMAN HENDRIE: People will hire against what  
13 their requirements are, getting interns --

14 COMMISSIONER KENNEDY: That's what we said last  
15 year. We kept saying that over and over again. They hired 110  
16 of them.

17 MR. COOPER: It preempts your '79 budgetary slots.  
18 On the EDO staff --

19 COMMISSIONER KENNEDY: You know, I can't understand  
20 why we do this. We went through all this on the table last  
21 year.

22 COMMISSIONER GILINSKY: Two years, there's bound to  
23 be 10 percent --

24 COMMISSIONER KENNEDY: What we ought to do is program  
25 the number of interns they would like to get in a year and then

1 go to the personnel people, and say, all of the attrition that  
2 is going to occur this years in numbers must be retained as  
3 spaces against which these interns will be placed at the end  
4 of their current period. Then you come out even. No plus or  
5 minus 1 or 2 bodies. As it is, you wind up in the middle of  
6 the year suddenly faced with an enormous number of people.

7 So you come in with a budget increase in order to  
8 put them on the rolls. You have them physically on the  
9 premises.

10 CHAIRMAN HENDRIE: Add one?

11 COMMISSIONER GILINSKY: That sounds reasonable.

12 CHAIRMAN HENDRIE: All right.

13 MR. BARRY: I'll put the word out again, any  
14 more second lieutenants, they have to be counted against a  
15 permanent position.

16 COMMISSIONER KENNEDY: They have to be counted  
17 against a permanent position the day they are hired. They  
18 have to be counted against an assumed permanent position that  
19 is going to occur within their present budget limit, not  
20 against some hypothetical limit which will be plus whatever  
21 they are.

22 MR. BARRY: All right.

23 CHAIRMAN HENDRIE: Okay, that makes it up to 23.

24 Do you want to give Howard one?

25 COMMISSIONER KENNEDY: Yes, I'll give Howard one.

1 CHAIRMAN HENDRIE: Maintain parity. God knows what  
2 will happen if we don't do that.

3 Plus one to 95.

4 COMMISSIONER KENNEDY: I don't quite understand  
5 why we have increased, or didn't the other day as we were  
6 talking about it, the ACRS by 3? I really didn't see anything  
7 in the presentation, however brilliant, thoroughly conceived,  
8 and presented, I didn't see anything in it at any rate that  
9 justified to me the increase of 3 people.

10 CHAIRMAN HENDRIE: They're at 37 now. 37 for '78.

11 MR. BARRY: Yes. sir.

12 CHAIRMAN HENDRIE: I'll tell you, let's take out  
13 Howard's one and OGC's one from this and give Fraley one.

14 COMMISSIONER KENNEDY: What reason did you have for  
15 doing that?

16 CHAIRMAN HENDRIE: None whatsoever but it sounded  
17 good, didn't it.

18 It sounded like a low-cost proposition, right?

19 (Laughter.)

20 I don't know. It's hard to tell.

21 COMMISSIONER GILINSKY: Because they are going to  
22 get these 15 guys.

23 CHAIRMAN HENDRIE: Want to just say zero?

24 Good. Let's say zero.

25 COMMISSIONER KENNEDY: That's right. They have 15,



1 what do they call them?

2 CHAIRMAN HENDRIE: I don't know what they call them,  
3 but they better be people that come into headquarters and not  
4 people that hang around universities in Minnesota.

5 (Laughter.)

6 COMMISSIONER KENNEDY: The EEO one, you know, we're  
7 piddling around with awful little numbers. We just have to  
8 do that, I guess.

9 CHAIRMAN HENDRIE: Yes, that was that Spranik(?)  
10 thing. I have all kinds of --

11 MR. GOSSICK: That's another problem that I'd like  
12 to talk to you about. We may have a solution in the offing.  
13 I'll know in a day or two. He's currently considering the  
14 opportunity for another job. I'm going to have to move a  
15 space with him, which will reduce that number back to 4.

16 COMMISSIONER GILINSKY: By the way, on the ACRS,  
17 I spoke with staff people on the Hill and also with ACRS;  
18 neither of them had any idea what the size of the ACRS staff  
19 was.

20 CHAIRMAN HENDRIE: Nobody on the Committee knows  
21 how big the staff is really. And the Chairman gets a look at  
22 it one afternoon before the budget goes in and things go by  
23 him so fast, he doesn't know what's being done.

24 COMMISSIONER KENNEDY: I must say every time I see  
25 it, I stop for a moment and think about it, too.

1 CHAIRMAN HENDRIE: Let's see, we allowed the -- we  
2 ended up allowing the auditor 2; is that right?

3 COMMISSIONER KENNEDY: Right.

4 CHAIRMAN HENDRIE: To go to 28. So that -- and we  
5 allowed Kelley one and took 3 away from Fraley so that it's  
6 plus 3 for the Commission offices in toto; right.

7 COMMISSIONER KENNEDY: Right.

8 CHAIRMAN HENDRIE: And if I go to Lee's offices,  
9 he got one in EDO, one for Howard, 4 in international programs --

10 COMMISSIONER KENNEDY: You know, we didn't look at  
11 those. Does state programs really need 5?

12 CHAIRMAN HENDRIE: Not if they are going to become  
13 statutory.

14 COMMISSIONER KENNEDY: Let's let Congress tell how  
15 many it ought to be.

16 (Laughter.)

17 MR. GOSSICK: Plugged into this number were the  
18 spaces for the man in each region.

19 MR. BARRY: These 5 are nothing but the regions.

20 CHAIRMAN HENDRIE: So these offices come up plus  
21 11, true.

22 MR. GOSSICK: Right.

23 MR. COOPER: From what base?

24 COMMISSIONER GILINSKY: Except you know we put  
25 people out in the region.

1 CHAIRMAN HENDRIE: 78.

2 COMMISSIONER GILINSKY: The whole thing is in  
3 some sense more efficient.

4 CHAIRMAN HENDRIE: One for Shapar.

5 MR. BARRY: One for Shapar. In fact, it is 17.  
6 Four for MIPC.

7 CHAIRMAN HENDRIE: I'm sorry, those turned up in  
8 '78, didn't they?

9 COMMISSIONER KENNEDY: We have got 4 --

10 MR. BARRY: MRDS which is not going to be in the  
11 supplemental.

12 COMMISSIONER GILINSKY: Dropped down another 5, I  
13 believe.

14 CHAIRMAN HENDRIE: You are right.

15 COMMISSIONER GILINSKY: I wonder if in the state  
16 programs, if some of those bodies did not come out of head-  
17 quarters?

18 Everybody hear that?

19 COMMISSIONER KENNEDY: I did. We said something  
20 about that the other day. It's all a matter of relative  
21 efficiencies.

22 CHAIRMAN HENDRIE: I'm sorry. You're right.  
23 Since McDonald will not pick up four in '78,

24 COMMISSIONER KENNEDY: He picks them up in '79.

25 CHAIRMAN HENDRIE: He picks them up in '79. That



1 goes to plus 4. But that still gets me 15, not 16. Where do  
2 you get the other one?

3 MR. BARRY: Five in state, 4 in international, one  
4 in Shapar, 4 for McDonald. One in EEO. One in the controller.

5 CHAIRMAN HENDRIE: Where did that come from?

6 COMMISSIONER KENNEDY: It's been there all the time.

7 CHAIRMAN HENDRIE: Hang on, let me not do you --

8 MR. BARRY: And one in PLA.

9 CHAIRMAN HENDRIE: Got you. I'll give you the  
10 controller one, I won't give the PLA one. All right.  
11 What happened was that there were --

12 COMMISSIONER KENNEDY: What was it that we gave  
13 it to them for?

14 CHAIRMAN HENDRIE: It was because his '78 total got  
15 trimmed to meet standards. It was a pay back.

16 COMMISSIONER KENNEDY: Oh, that's right. As a  
17 matter of fact, something was borrowed from him, wasn't it?  
18 He's actually got the bodies.

19 ~~MR. GESSICK:~~ <sup>BARRY:</sup> No, he only has 16. But I have to  
20 confess now, that's exactly the same thing with me. I was  
21 zapped one. It's no difference between myself and PLA. It's  
22 the same in both cases. He lost an analyst. I lost a budget  
23 examiner.

24 CHAIRMAN HENDRIE: I'm willing to put one back  
25

1 in the controller's shop, to 67, if you think you need the  
2 people, but I am reluctant to put one in PLA.

3 MR. GOSSICK: I won't fight for him. Take them  
4 both off. Sort of help everybody.

5 COMMISSIONER GILINSKY: Good discipline.

6 CHAIRMAN HENDRIE: Plus zero for 66.

7 MR. BARRY: Now, let's see what that adds up to;  
8 15.

9 MR. GOSSICK: I'll make a proposition of three on  
10 the basis that the two people that we're putting out -- that's  
11 being done out of our hide anyway.

12 COMMISSIONER KENNEDY: Should be. Part of that  
13 ought to be. This was a pay back.

14 ~~COMMISSIONER KENNEDY:~~ Cut that down to three.

15 MR. BARRY: State programs go to 3 instead of 5.

16 CHAIRMAN HENDRIE: Let's see. Plus 3, that is 27  
17 in state programs. True?

18 COMMISSIONER KENNEDY: No, 26. Excuse me, 27.

19 CHAIRMAN HENDRIE: International programs. Do you  
20 leave that plus 4 or trim them?

21 COMMISSIONER KENNEDY: They're doing licensing.

22 MR. BARRY: The BRG would say just leave them along.

23 CHAIRMAN HENDRIE: Plus 4 for 28. Shapar, 95.

24 McDonald at 55. EEO at 5. PNA comes down to 16, right?

25 Controller, 66. EDO, 23. Delta's then are 13. True?

1 COMMISSIONER KENNEDY: Except for that NMSS thing,  
2 we have completed everything essentially.

3 MR. BARRY: Yes, sir.

4 CHAIRMAN HENDRIE: And we have a session tomorrow --  
5 closed session scheduled for tomorrow after the Brunswick  
6 exercise.

7 (Whereupon, the meeting was closed at 5:05 p.m.)  
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