

NUCLEAR REGULATORY COMMISSION

ORIGINAL

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In the Matter of: BRIEFING ON MID-YEAR REVIEW OF FINANCIAL  
PLANS AND PROGRAMS -- PUBLIC MEETING

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION  
BRIEFING ON MID-YEAR REVIEW OF  
FINANCIAL PLANS AND PROGRAMS  
PUBLIC MEETING

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Nuclear Regulatory Commission  
Room 1130  
1717 H Street, N.W.  
Washington, D. C.

Tuesday, July 15, 1980

The Commission met, pursuant to notice, at 2:05  
p.m.

BEFORE:

- JOHN F. AHEARNE, Chairman of the Commission
- VICTOR GILINSKY, Commissioner
- JOSEPH M. HENDRIE, Commissioner
- PETER A. BRADFORD, Commissioner

STAFF PRESENT:

C. STOIBER

ALSO PRESENT:

- W. DIRCKS
- N. HALLER
- L. BARRY
- H. DENTON
- K. CORNELL

ALSO PRESENT (continued):

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- . HANRAHAN  
D. DONOGHUE

DISCLAIMER

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

1  
2 CHAIRMAN AHEARNE: The Commission meets this  
3 afternoon for a FY 1980 Mid-Year Resource Review is one  
4 title, or EDO Program Review is another title. We have  
5 approximately one hour for Bill to cover what is probably  
6 enough material to take two days. In the interest of moving  
7 on, I turn it over to Rapid William.

8 (Laughter.)

9 MR. DIRCKS: I am going to divide it into two  
10 basic parts. One is the financial plan, a summary of the  
11 financial condition of the agency. The second part I am  
12 going to talk about is the mid-year review of the programs,  
13 concentrating on the 19 program areas that are related to  
14 the PPPG, and even then I will not be covering all of them.  
15 I will cover five or six of them that I think are  
16 significant issues that the Commission should focus on.

17 May I have the first slide, please?

18 M. I have the second slide.

19 This basically shows you the financial condition,  
20 where we are as of today, and where we are going. As of  
21 April 1, we had an obligating at the rate of 63 percent,  
22 which is fairly good, and as of June 1, we are up to 72  
23 percent, and we should basically make our obligational  
24 ceiling within the ceiling and not too much under it.

25 I do have figures on there for the carry-over, the

1 1979 carry-over, then the reprogram carry-over, and the  
2 supplemental.

3 The next chart, please.

4 This gives you some idea of the success that we  
5 have had on the supplemental. We asked for \$49.2 million  
6 and 60 people. We got \$32 million and 32 people, 18 for the  
7 AUD, 11 for IE, and three of OPA.

8 Next slide, please.

9 This is a breakdown as to the individual offices.  
10 I can whip through these fairly quickly unless you want me  
11 to stop for any reason. Basically, we are covering the  
12 financial position.

13 CHAIRMAN AHEARNE: I am not sure I understand the  
14 historical base minus 13 percent?

15 MR. DIRCKS: That is the rate that we had  
16 obligated in the past, 17.3. If we had obligated at that  
17 rate this year, we would have obligated 17.3 percent.

18 CHAIRMAN AHEARNE: I see.

19 MR. BARBY: We are a little behind in NRR in  
20 obligations compared to previous years.

21 CHAIRMAN AHEARNE: Okay.

22 MR. DIRCKS: The next slide, please.

23 Again there is that historical base. We are ahead  
24 in IE.

25 Next slide, please.

1           Again they are slightly below their historical  
2 base.

3           CHAIRMAN AHEARNE: But we are expecting 100  
4 percent commitment.

5           MR. DIRCKS: Right.

6           MR. BARRY: They are expecting to obligate their  
7 funds, and they have historically done so. They have lagged  
8 a bit. One of the problems is that they try to go outside  
9 the labs and go contract, and that slows up the process.

10          COMMISSIONER BRADFORD: What does it tell you when  
11 you see minus 37 percent? What does that say to you?

12          MR. DIRCKS: It is lagging behind their historical  
13 base.

14          COMMISSIONER BRADFORD: What does it mean has to  
15 be done?

16          MR. DIRCKS: If they stay at this rate, they will  
17 under-obligate.

18          MR. BARRY: One thing it means is that my staff  
19 gets out to find out whether, in fact, they are going to  
20 obligate, and why they think they are going to obligate. If  
21 they are not going to obligate, we start talking about using  
22 the money for reprogramming.

23          MR. DIRCKS: Moving the money to other programs. We  
24 go through that exercise quite a bit. But NMSE, they have  
25 conditionally obligated to their full amount.

1 MR. BARRY: Right.

2 COMMISSIONER HENDRIE: Do we have fourth quarter  
3 limitations this year that are any more stringent than the  
4 customary admonitions not to save three quarters of the  
5 year, and then spend.

6 MR. BARRY: We just received an OMB boilerplate  
7 saying, do not exceed your normal obligation rate. In our  
8 case our fourth quarter is always very high. It has been  
9 that way for some time.

10 COMMISSIONER HENDRIE: I am not sure their letter  
11 said, don't change your historical patterns. I suspect  
12 their letter said, don't obligate at a greater rate in the  
13 fourth quarter than other quarters.

14 MR. DIRCKS: The key figure in all these slides is  
15 to look at the commitments, too. When you say commitment,  
16 it means the office has basically as told Contract, we want  
17 to put so much money into a contract. The obligation is  
18 when the contract is actually signed. That is the lagging  
19 part program..

20 MR. BARRY: We received a pretty substantial  
21 supplemental, and we don't have that yet. In other words,  
22 the apportionment out of OMB, we don't have that yet, so you  
23 have to obligate that in the last quarter.

24 MR. HANRAHAN: In the NMSS case, they say they are  
25 going outside of the procurement actions. They are



1 underway, then.

2 MR. BARRY: They have a significant amount  
3 committed, \$7 million of their total.

4 MR. DIRCKS: Let's go to the next one, please.

5 Research is always very good. Go the research,  
6 the next one.

7 Research is excellent as far as getting their  
8 money obligated.

9 CHAIRMAN AHEARNE: They know the past history that  
10 if they don't, it gets taken.

11 MR. DIRCKS: They are excellent in obligating.

12 CHAIRMAN AHEARNE: The comment at the bottom,  
13 seismic and waste only low areas non DOE work, is that meant  
14 to imply that the DOE work is obligated faster.

15 MR. DIRCKS: Yes, when you go to labs --.

16 COMMISSIONER HENDRIE: It is months easier.

17 MR. DIRCKS: To obligate under commercial  
18 contracts takes six to nine months to get the money out.  
19 That is why you see lagging obligations.

20 CHAIRMAN AHEARNE: When we put in the budget  
21 proposal, do we take into account this difference in  
22 approach? If, for example, one were going to switch in any  
23 given year from internal to external, to external to  
24 internal, it would seem to make a substantial difference in  
25 the amount of money that would be needed in a given year.

1 MR. DIRCKS: If we went full scope, and tried to  
2 make a significant switch over to commercial contracts, it  
3 would drastically affect the way we do our financial  
4 planning. Even with good planning in NMSS we tried to write  
5 scopes of work right now for the Fiscal '81 year. What  
6 happens, even at this time if you transfer these scopes of  
7 work with the Fiscal '81 money over to contracts, the  
8 contracts would get voted down with the end of the year  
9 obligations. So it is a never ending circle. It is a very  
10 difficult problem.

11 CHAIRMAN AHEARNE: Will the two-year cycle help?

12 MR. DIRCKS: I think it will.

13 CHAIRMAN AHEARNE: Or is it authorizations that  
14 are two years?

15 MR. DIRCKS: It will certainly give a boost at the  
16 beginning. It would allow you to do a little more advance  
17 planning.

18 CHAIRMAN AHEARNE: Okay.

19 MR. DIRCKS: Next slide, please.

20 These are amounts that we at one thought we needed  
21 to reprogram money into. We have identified the sources.  
22 Some of the needs have been slipping into other years,  
23 therefore, we don't have the type B sources right now to,  
24 number one, data base is lingering out there with additional  
25 studies.

1           The only one we have firmly identified is resident  
2 inspector, and we will have to put money into that area. We  
3 have identified sources for reprogramming.

4           Next slide, please.

5           Uncosted balances, this is Len Barry's technical  
6 project, and I will let him get into that.

7           MR. BARRY: As some of you know, when your  
8 uncosted balance gets very heavy, you can well be criticized  
9 by the GAO and by the Congress. When you are asking for  
10 obligational authority that you cannot possibly use during  
11 the year that you asked for it, obviously some obligation  
12 authority has to carry into the second year. It certainly  
13 should not be uncontrollable.

14           As you can see on this chart, at the end of 1976  
15 we had an uncosted obligation balance of \$45 million. At  
16 the rate of obligation that we were incurring at the end of  
17 1976, we had enough money to last for 16.7 months. In fact,  
18 that is what happened.

19           So we have been working at this program for a  
20 while. You can see now, even though our program has  
21 increased over the past five years, as an example at the end  
22 of 1979 we had an uncosted carry-over of \$70 million. At  
23 the rate of costing that money will carry it for about nine  
24 months.

25           CHAIRMAN AHEARNED: What is the difference between

1     unobligated and uncosted?

2             MR. BARRY:  When you actually sign the contract or  
3     the task order with DOE you obligate the money.  As the work  
4     is progressing, you cost it.  So what this really means is  
5     that at the end of Fiscal Year '79 you had obligated the \$70  
6     million.

7             CHAIRMAN AHEARNE:  Obligated, but uncosted.

8             MR. BARRY:  Right.  So you can see the trend is  
9     definitely improving with time.  I would like to see an  
10    uncosted not exceed nine months, and most of it costed out  
11    in six months, which means that you have a pretty solid  
12    program.

13            MR. DIRCKS:  You can show the last slide, but  
14    basically we don't perceive any financial difficulties.  On  
15    that happy note, I will go to the next one.

16            The next is a summary of the progress of the  
17    programs, basically where we have laid out the major  
18    objectives and what accomplishments we have.  It will give  
19    you, I think a pretty good idea of the structure that we  
20    would like to erect for this program review.  We certainly  
21    don't have the thing set in place yet.  We have a lot more  
22    to do on tracking program, and measuring the implementation  
23    of programs.

24            As we go through this, keep in mind that it is a  
25    shaky structure now.

1           COMMISSIONER BRADFORD: The good news is that we  
2 know how to spend the money.

3           MR. DIRCKS: I have a feeling we know how to track  
4 it --

5           CHAIRMAN AHEARNE: We know how to spend money.

6           COMMISSIONER BRADFORD: That is what I meant.

7           CHAIRMAN AHEARNE: The money, I am not sure.

8           MR. DIRCKS: What we don't want to do is to spend  
9 more money tracking programs than carrying them out.

10           (Laughter.)

11           MR. DIRCKS: Could I have the first slide, please?

12           These are the 19 programs that have been  
13 identified as the ones that we are tracking, even through  
14 the relatively rudimentary process that we have now. It is  
15 an area that I think not only the Commission focuses on a  
16 lot in many of its meetings, but it is an area that we track  
17 as best we can, and it is related to the PPPG.

18           There are 19 of them, six NRR, five in NMSS, one  
19 in I&E -- I&E surprisingly only has one that we have  
20 identified. There are others, and we will talk about a  
21 couple of issues related to I&E as we get into it. In  
22 Research there are two items that we are trying to keep  
23 track of, Standardis has two; IP, one; Kevin Cornell's area,  
24 we are paying a lot of attention to that one, too. Then,  
25 Carl Michelson's operating data. The TMI action plan that

1 is a special case, and I will have to spend a little time on  
2 that at the end.

3 The next slide, please.

4 This will give you some idea of the magnitude of  
5 the 19 programs in relationship to the full budget of the  
6 agency. The FY-80 program support is \$238 million total.  
7 In the 19 programs, we have \$88 million that we are  
8 tracking. I think the disparity in there is the research  
9 program that is in the total of the agency.

10 CHAIRMAN AHEARNE: It looks like you are tracking  
11 all of the non-research program support.

12 MR. DIRCKS: Essentially, yes. You can get this  
13 feel when you go to the staff years for the agencies, 2,285  
14 in the major offices, and 100 people in the 19 program areas.

15 The next slide please.

16 I mentioned that we intend to do better. These  
17 are some of our intentions that we have outlined for the '81  
18 program. With the 19 program areas, we certainly will try  
19 to establish milestones on a much more firm basis, many  
20 checkpoints that are much more meaningful than we have now.

21 I am going to try to tie the accomplishment of  
22 objectives to the SES system. It is a good intention, and I  
23 will try to pursue it. I need some sort of a simple  
24 reporting system to the Commission. I know I have been on  
25 the receiving end of reporting instead of the giving end

1 when I was with NMSS, and there are things being tracked at  
2 the EDO that were in far too great a detail, much more  
3 detail than even a program office directors would try to  
4 track. If you really get down in depth into the programs,  
5 you have spent half of your time just reviewing the reports  
6 and not accomplishing anything.

7 What we are going to do is to straighten out this  
8 thing, and get it easy to handle.

9 With that statement of good intentions, I will go  
10 to where we are today.

11 The first office program is NRR, and they have six  
12 programs that we are concentrating on: casework; fire  
13 protection; unresolved safety issues; operating reactor  
14 licensing actions; systematic evaluation program; and  
15 qualifications of safety related programs. We just added  
16 that in there in case you did not have enough of the whole  
17 thing this morning.

18 Of the six, I have sort of issue notes on about  
19 five of them. Of all the offices, this seems to be where  
20 most of the issues are this year, and I am sure it is  
21 related to the program and the turmoil that we have been  
22 through this past year.

23 In the area of casework, if you will show that  
24 slide. There are basically three major objectives. The  
25 major issue here, and I think that it is quite clear to many

1 of us, is the issue that the Congress has given us in the  
2 area of casework.

3 The Appropriations Committee has asked us to  
4 report to them monthly on the status of the licensing  
5 program, and the status, I guess, of management within the  
6 agency. We are going to have to develop some sort of a  
7 system for tracking.

8 CHAIRMAN AHEARNE: I think they probably view that  
9 as required answers.

10 MR. DIRCKS: That is the major issue here. We  
11 have identified it. It is a tracking problem that we have,  
12 and also a scorecard that they are going to be looking at.

13 CHAIRMAN AHEARNE: I imagine the scorecard they  
14 are looking for is the same kind of sheet that we develop  
15 for the testimony.

16 MR. DIRCKS: Yes, with whatever notes we have.

17 In the licensing requirements, and near term OIs,  
18 we have been to the Commission many times. We have  
19 synthesized after the action, and tried to develop  
20 requirements.

21 Major objectives, you are aware of the status  
22 action there. The Commission has fuel load requirements.

23 The next case coming up before the Commission will  
24 be, of course, the North Anna full power licensing case, and  
25 that will be going up within the next week or so.



1           The near-term construction permit requirements, I  
2 think almost every Commission now has asked me about that.  
3 The same answer is, next week. I hope that we will get it  
4 next week.

5           CHAIRMAN AHEARNE: The answer depends on which  
6 week it is asked.

7           (Laughter.)

8           MR. DIRCKS: I am giving you the same answer I got.

9           COMMISSIONER BRADFORD: All Commissioners get the  
10 same answer in different weeks.

11          MR. DIRCKS: We don't treat anyone specially. We  
12 treat them all the same by giving them the same answer.

13          Somewhere in the agency are the near term  
14 construction permit requirements.

15          Fire protection --

16          COMMISSIONER BRADFORD: Before you go on.

17          On power reactor casework, there seems to be a  
18 somewhat more upbeat note to the slide than there is to the  
19 back-up volume here consistently. The summary here is that  
20 "Due to the impact on licensing, all of casework is behind.  
21 The staff work is 58 percent less than projected. Two  
22 milestones have been completed as opposed to the 19  
23 projected."

24          In the time allowed, clearly we won't have time to  
25 deal with the whole book, but I am a little concerned. As

1 one goes through the book, time after time you come across  
2 problems that are not displayed on the slide.

3 MR. DIRCKS: This gets back to the first point  
4 that I was talking about.

5 The book you have there, I think, is an attempt to  
6 get into the detail of the program when we still don't have  
7 the tools to get into it. There is a discrepancy between  
8 what you have there and maybe what is on the slide, and  
9 maybe what is true in real life. I don't know. It is a  
10 problem that we have of really getting into the programs,  
11 and picking out some real firm milestone, and getting some  
12 real data against them.

13 I don't have that right. Norm has attempted to  
14 get in, and that is the product of his work. I found to me  
15 be true in NMSS when I was over there. I would get notes  
16 from the PA that would tell me that I was 52 percent of my  
17 accomplished goals, and 30 percent of my resources, and I  
18 did not recognize what I was being told. I had to do a lot  
19 of scrounging around to find out exactly what the true story  
20 was.

21 I think the book that you have is a good  
22 beginning. It is an attempt to track these things. But it  
23 is giving you a far more detailed picture than is actually  
24 happening. All I can do today is review in gross terms  
25 where I think the program is, and it certainly will not

1 match up with what you have in that book there, or the  
2 statistical numbers that may come out of the FA. We have to  
3 marry the two things, what is actually happening and the MPA  
4 tracking system.

5 I have to apologize that we are not there yet. It  
6 is something that we have to work on. What I would like to  
7 do is to take each one of these 19 program areas, and take  
8 about three or four milestone and really track hard against  
9 them.

10 COMMISSIONER BRADFORD: Will that, then, have a  
11 tendency to bias the office work pretty heavily toward the  
12 milestones?

13 MR. DIRCKS: What I would hope is that the  
14 milestones would be true milestones, and show in very real  
15 term the program accomplishments.

16 CHAIRMAN AHEARNE: Hopefully the milestones will  
17 be established to keep the work on track to what is most  
18 important.

19 MR. DIRCKS: Yes, and then hopefully that would  
20 bias the office toward the milestones. It is an interactive  
21 process. You first try to develop a tracking system, and  
22 after you have really shown that you can develop a tracking  
23 system, then program managers and office directors get  
24 interested in negotiating what are the real milestones.  
25 Then when the tracking system looks at it, it begins to make

1 a lot more sense than it does the first couple of times when  
2 there is not that concentrated effort and agreement.

3 COMMISSIONER BRADFORD: It is difficult because  
4 one gets this, and you read through it. I guess what Bill  
5 is saying now is that there is not too much you can make of  
6 it.

7 MR. DIRCKS: What I am saying is that now you  
8 can't make too much of it. I hope we are getting better.

9 CHAIRMAN AHEARNE: The framework of the system is  
10 there. It is being fleshed out. I think that Norm agrees  
11 that it still needs some effort.

12 MR. HALLER: Very definitely. I would like to  
13 make one comment here. The data that you have was our first  
14 attempt at such a thing for the end March of timeframe.  
15 Subsequent to that, as we have gone through the budget  
16 review process, we have been made aware of a number of very  
17 significant reprogrammings from what we perceived to be the  
18 baseline in the operating plan as of that date to where we  
19 are now.

20 I am speaking of big blocks of people who have  
21 been shifted from one decision unit into another. There  
22 have also been millions of dollars moved from one place to  
23 another. Those are the sorts of things that we are trying  
24 to sort out. In fact, we are talking about defining a  
25 mid-year operating plan for the rest of the fiscal year.

1           COMMISSIONER BRADFORD: Can you put that in the  
2 context of the comment that I had read in here, to get some  
3 sense of how one has to adjust. "The staff effort is 58  
4 percent less than projected," what you are saying is that  
5 the explanation for that is that the staff was reprogrammed  
6 away from the casework?

7           MR. HALLER: That is my impression, yes.

8           MR. DIRCKS: Again, this gives you a false  
9 impression of what has actually happened. When you talk  
10 about staff effort involved in a particular action, you are  
11 talking about people filling out a time-card and allocating  
12 their work. Are they working on a case this week, when they  
13 actually review a license, or are they working on a case  
14 when they answer a letter from a Congressman who complains  
15 about a license. Sometimes the answer is depending on how  
16 that person feels that day.

17           It is a matter of basing judgments on data that is  
18 not too good to begin with.

19           CHAIRMAN AHEARNE: The system is getting there.

20           MR. DIRCKS: It is getting there. If we could  
21 refine it, and get some discipline into it, it would work.

22           CHAIRMAN AHEARNE: And you are making progress on  
23 it.

24           MR. DIRCKS: That is what we are hoping.

25           In the meantime, these books that you have in

1 front of you they are more of a prototype than anything  
2 else. It is a framework in which to start putting the  
3 numbers. The numbers that we have right now are relatively  
4 weak.

5 In addition to that, I think you have to also  
6 realize that the agency in the last year has been through a  
7 great deal of turmoil.

8 COMMISSIONER BRADFORD: That is clear.

9 CHAIRMAN AHEARNE: I think the point Norm was  
10 making, as I recall when we went through this, is that the  
11 baseline in many cases that we are using did not have a  
12 chance to get adjusted, in many cases, for Commission that  
13 had shifted in changed priorities and changed programs.

14 COMMISSIONER BRADFORD: Let me try out a  
15 generalization. I am still trying to figure out what I am  
16 going to do with this book in the next few weeks.

17 As far a general number, such as, "the effort is  
18 58 percent less than projected," it does not sound as though  
19 I should put much meaning into that. But for an issue, such  
20 as unresolved safety issues, where it says, "every issue has  
21 slipped at one time or another," there presumably the  
22 information is a little harder. We are talking about  
23 specific programs, and it tells you that the program is not  
24 where you want it.

25 MR. DIRCKS: In the area where an unresolved

1 safety issue was projected to be completed by X date, and it  
2 did not meet that date, that is a real fact that we have  
3 just not resolved it, because when you get into the question  
4 of what the resolution of a safety issue --

5 COMMISSIONER: There is that, and there is also  
6 the question of why it slipped. The mere fact that it  
7 slipped does not necessarily tell you that there was not a  
8 perfectly legitimate emphasis being placed somewhere else.  
9 But at least where the statement seems to be based on hard  
10 fact, I take it it is probably reliable. It is just the  
11 more subjective elements, like percentages of manpower,  
12 which are still pretty fuzzy?

13 MR. DIRCKS: I think that it is how manpower is to  
14 be allocated, how we track manpower, and how we track when  
15 someone signs a purchase order or a contract allocated  
16 against a particular coded work. Is he coding the work  
17 right? Is he going into the right account? When he  
18 allocates money against one project, does some other project  
19 get the benefit also?

20 It is trying to get a hold of the account,  
21 marrying the accounting system with the actual work that is  
22 being produced, and then coming out with some sort of a  
23 fairly reliable reporting system. That is the difficulty.

24 Now that we have narrowed it down so that we can  
25 focus on 19 major programs, I think at least we can point

1 out where we want to go. As I said at the beginning, we are  
2 not nearly there. If the program sounds optimistic, that is  
3 the general tendency to of people to point out at least what  
4 has been achieved. The simple fact that some things have  
5 been achieved is almost a bonus.

6 COMMISSIONER BRADFORD: I took you away from fire  
7 protection.

8 MR. DIRCKS: Fire protection is the next one.

9 Again, you will find in here an optimistic, upbeat  
10 tone that some things are being accomplished. My comment  
11 here is probably the same as yours. Fire protection as an  
12 identifiable program has been going on for years. I  
13 remember that it started up in 1975. Everyone sat around  
14 the table and said: "We want to have some way of focusing  
15 attention on fire protection," as a result of Browns Ferry.

16 I don't think we have a clearly defined end-point  
17 program.

18 COMMISSIONER BRADFORD: This is the Browns Ferry  
19 Action Plan.

20 MR. DIRCKS: Yes, the Browns Ferry Action Plan.  
21 It generates more end points than it is generating answers.

22 What I am going to do is ask NRR basically to take  
23 another look at this action plan, and what they want to  
24 accomplish by what date, and come back to me. We don't have  
25 it right now. We did not have it for this exercise. What



1 we have tried to do is to get some input established.

2 I have also asked them to meet with me quarterly  
3 to see if I can track it in a much more personal manner.

4 COMMISSIONER BRADFORD: In the spirit of one  
5 particular end point, No. 3, the resolving of contested  
6 issues, public comments having been received on the proposed  
7 rules. As I understand it -- this is somewhat aside from  
8 the technique of tracking decisions -- a lot of licensees  
9 are waiting to see what that rule is before they start  
10 taking any of the actions that it seems to me they ought to  
11 be taking in view of the deadline that the Commission has  
12 set.

13 So the sooner you can get that rule up to us, I  
14 think, the better the chance of actually reaching an end  
15 point on that subject. Do you know where it is at the  
16 moment?

17 CHAIRMAN AHEARNE: That was the 30 days.

18 COMMISSIONER BRADFORD: I think that is right.

19 MR. DIRCKS: The proposed rule is scheduled for  
20 October.

21 CHAIRMAN AHEARNE: No. That is the date that it  
22 is supposed to go into effect. The way it was put out there  
23 was an additional 30 days for comments, and we were supposed  
24 to get those comments. The October date is the date that it  
25 is supposed to go into effect.

1 MR. DIRCKS: It is the final rules.

2 CHAIRMAN AHEARNE: I think what Peter is pointing  
3 out is that the sooner you get up to us any comments, the  
4 sooner we can address whether any modification should be  
5 made.

6 MR. DIRCKS: That is right.

7 CHAIRMAN AHEARNE: That was the rule rather than  
8 making it immediately effective.

9 COMMISSIONER BRADFORD: My concern is that what I  
10 am gathering is that people are waiting as long as they can  
11 in the rule process, and that that is going to make the  
12 meeting of the deadline very unlikely at the end.

13 CHAIRMAN AHEARNE: That is a good point.

14 MR. DIRCKS: Next slide, please. Let's go to the  
15 next one after that, the unresolved safety issues.

16 COMMISSIONER GILINSKI: Where does something like  
17 the rulemaking on the degraded core cooling come in; in this  
18 category?

19 MR. DIRCKS: No. Let me check that.

20 COMMISSIONER GILINSKI: I did not see that.

21 MR. DIRCKS: Degraded core cooling is a standard.  
22 What we have done is picked degraded core cooling, emergency  
23 planning, and siting core, and we are treating them as a  
24 separate item. We have not picked it up in this 19 program  
25 thing.

1           Bob Minogue by mid-August will have sort of an  
2 integrated program plan for dealing with these three. But  
3 by mid-August we should have these three things so that we  
4 can tie them together, because it cuts across three offices  
5 at least, plus Kevin's area.

6           The question has been raised, are we treating them  
7 as a single entity? Are we aware of the impacts? Are we  
8 aware of the need for consolidation? The answer is yes.  
9 Bob Minogue has it. Minogue is aware of it, and by  
10 mid-August we should have some way to show the Commission  
11 that we are going to treat these things in some sort of a  
12 comprehensive fashion.

13           The issue on unresolved safety issues is, what do  
14 we mean when we resolve a safety issue. Does it mean that  
15 we issue a NUREG report? Does it mean that we write an  
16 amendment to a license, when the licensee actually opposed  
17 it?

18           What I am going to do here basically is to go back  
19 to the officers to see if I can get a better definition.  
20 We have talked about it within the context of budget. You  
21 will hear about it next week when we talk about budgets.

22           Until we know what we mean by the resolution of an  
23 issue, it is very hard to track whether we have actually  
24 done it.

25           COMMISSIONER BRADFORD: There is a working

1 definition, isn't there?

2 MR. DIRCKS: Yes, there is a working definition.

3 COMMISSIONER BRADFORD: It just does not happen to  
4 coincide with what most people would think what resolution  
5 meant.

6 MR. DIRCKS: I think that we in the offices are  
7 aware of it. Harold is aware of it. We kicked it around in  
8 the budget process, and we are going to try to come up with  
9 some sort of a definition that means that we have resolved  
10 it, and it is actually in place.

11 COMMISSIONER BRADFORD: That is right, because  
12 otherwise what you have to have is a second phase where the  
13 resolution is implemented, and that has to be tracked just  
14 as much.

15 MR. DIRCKS: Here you are talking about issuing  
16 NUREG reports. It is nice to get a report out, but unless  
17 it actually means that the safety issue has been resolved  
18 and is actually effective, issuing a report may not do it.

19 COMMISSIONER GILINSKI: Doesn't it mean that we  
20 have decided what the requirements are, and everything?

21 MR. DIRCKS: Yes, it means that, but it also means  
22 -- If you decided on a requirement, what we really need,  
23 after you write an amendment implementing, and asking the  
24 licensee to implement the requirement, it would also be nice  
25 to see if the licensee implement the requirement.

1           CHAIRMAN AHEARNE: Some people would. I think, as  
2 Bill is point out, there is support for the idea that we  
3 have identified something as unresolved issue with respect  
4 to a plant that the resolution occurs after you have  
5 identified, if a fix has to be made, if the fix is made.

6           COMMISSIONER BRADFORD: If you are living near a  
7 plant that has an unresolved issue, in your view the  
8 resolution is going to be when that plant does it, and you  
9 no longer worry about that issue.       •

10          CHAIRMAN AHEARNE: In some cases it could be when  
11 the resolution is that there is no problem, and the other  
12 would be when the thing is fixed.

13          COMMISSIONER BRADFORD: Yes.

14          COMMISSIONER GILINSKI: But that is a different  
15 sort of thing. It is like phase 1 and phase 2. One is  
16 figuring out what it is that this agency is going to  
17 require, and the second is carrying it out.

18          CHAIRMAN AHEARNE: I think that Bill is pointing  
19 out that currently there does not seem to be any phase 2  
20 that is explicitly defined that you can really track.

21          MR. DIRCKS: Once you establish a requirement.  
22 You will get the chance to establish a requirement because  
23 ATWAS is coming down as a safety issue that has been  
24 resolved and will be down within the next week or so. It is  
25 a rulemaking actually. Then you will have a chance to

1 establish a requirement, then you track that through, and  
2 actually impose a requirement. I think to an outsider that  
3 is the true resolution of the issue.

4 There are six new unresolved safety issues that  
5 have been sent down to the Commission.

6 CHAIRMAN AHEARNE: Yes.

7 MR. DIRCKS: The next slide, please.

8 Operating reactor licensing actions --

9 COMMISSIONER BRADFORD: Bill, let me just ask a  
10 question on that part again.

11 Here is the book more reliable. What it says is  
12 that every unresolved safety issue has slipped at one time  
13 or another, and then it goes on to make some statements  
14 about those.

15 I would not have gathered that just from the slide  
16 and the presentation on it.

17 MR. DIRCKS: I guess there is a little bit o  
18 everything in there. There are four unresolved safety  
19 issues, and at least progress is being made. They may have  
20 slipped. There are slippages, I think, up and down the line  
21 in the unresolved safety issues. Some have been unresolved  
22 and are extremely difficult to resolve.

23 Even getting a technical solution for a water  
24 hammer is a thing that stays on the unresolved safety issues  
25 year in and year out. We have always established dates for

1 it, and technically we don't solve that safety issue.

2 They get on the list. It is identified as a  
3 problem. In the case of water hammer -- I hate to beat that  
4 one to death because every budget year it is still there --  
5 the problem that it is difficult to articulate the problem.

6 COMMISSIONER GILINSKI: Let me ask you this. What  
7 does it mean that it is an unresolved safety issue if we  
8 are going ahead and licensing reactors?

9 How does this being an unresolved safety issue  
10 affect anything?

11 MR. DIRCKS: There is a definition that we just  
12 learned last week, and I proceeded to forget. It is the  
13 definition of a generic issue, and an unresolved safety  
14 issue. I think Norm is digging out the definition. Harold  
15 is just sticking his head in the door as soon as you asked  
16 that question.

17 COMMISSIONER GILINSKI: Yes, I see Harold.

18 COMMISSIONER HENDRIE: It is an issue which has  
19 arisen, has safety connotations, is of concern in more than  
20 one plant, and for which whatever measures are currently in  
21 use, the staff thinks that there ought to be some more  
22 study, and either better confirmation than those that are an  
23 inadequate cure, or a better cure for the long-run.

24 In the meantime, each unresolved safety issue has  
25 to be dealt with on each operating plant, and new license in

1 such ever manner is practical for the individual plants, and  
2 in a way that the staff can make the judgment that there is  
3 adequate protection on that interim basis.

4 So the so-called generic issue or unresolved  
5 safety issue then gets worked on as a general problem.  
6 Presumably, when it is brought to solution, appropriate  
7 measures are recited for it, or sometimes after the analysis  
8 you finally understand all the ins and outs, and decide you  
9 don't have to add any more equipment or change.

10 Whenever that resolution is reached, presumably it  
11 is implemented in an orderly way across the whole array of  
12 plants for which it is applicable. It is simply a way of  
13 dealing with some things that seemed much handier to deal  
14 with on a general basis than to deal with them in each of a  
15 number of cases.

16 COMMISSIONER GILINSKI: But they are not so severe  
17 as to inhibit the licensing of plants.

18 COMMISSIONER HENDRIE: In each case, each plant  
19 that is to be licensed, or that is licensed is judged by the  
20 staff to have adopted one set of measures or another that  
21 provides adequate protection for that particular safety  
22 concern over such period as may be required to complete the  
23 generic resolution.

24 COMMISSIONER GILINSKI: What are examples of  
25 things that have been resolved, that have been put to bed.



1 MR. DENTON: I think that we sent down a list.

2 CHAIRMAN AHEARNE: You sent down reports. They  
3 come periodically, and documents describing those.

4 MR. DIRCKS: There are three here.

5 COMMISSIONER BRADFORD: A resolve safety issue is  
6 what we are after.

7 MR. DENTON: We consider from our standpoint that  
8 there were three technical reports issues which resolved the  
9 issue to the satisfaction of staff. One was on fracture  
10 toughness for reactor vessel and steam generator/coolant  
11 supports. Another one was on the environmental  
12 qualifications of equipment, and volume IV of the ATWAS  
13 report. This means a technical position that is  
14 satisfactory to the staff.

15 There have been a half-dozen more that are not on  
16 this table over the past year, where we have taken a  
17 position on an issue that said, if it is done this way, it  
18 is a satisfactory resolution of that. Then that is worked  
19 back through every plant that it applies to.

20 COMMISSIONER BRADFORD: Then for purposes of  
21 plants still to be licensed, you expect if they adopt it,  
22 they would get a license, and there would be no further  
23 concern on this subject.

24 MR. DENTON: That is right.

25 COMMISSIONER BRADFORD: The plants that have

1 already adopted an interim fix, they have some time to  
2 convert the interim fix to conform to the resolution?

3 MR. DENTON: Yes.

4 MR. DIRCKS: The next one is reactor licensing  
5 action. The only item there that I want to call attention  
6 to is the backlog of licensing actions.

7 COMMISSIONER GILINSKI: One more question.

8 Where did the question of hydrogen control that we  
9 have required to us, what would that come under in this  
10 list? Is that in any of the categories?

11 MR. DIRCKS: Certainly it will be covered in the  
12 rulemaking action.

13 COMMISSIONER GILINSKI: This piece of it is coming  
14 to us early, the whole business of boiling water reactors,  
15 ice condenser plants, and so on. Is that one of the 19  
16 groupings?

17 MR. DIRCKS: In the unresolved safety issues?

18 COMMISSIONER GILINSKI: No, I mean these 19  
19 programs?

20 MR. DIRCKS: No. If in anything, it would be  
21 covered in this TMI action plan. It is one of the results  
22 of the TMI.

23 COMMISSIONER GILINSKI: So it would be down here?

24 MR. DIRCKS: Yes.

25 The backlog, the last item under accomplishments,

1 the 1500 licensing actions versus the 934 projected for the  
2 period, so we are a bit ahead of the projected.

3 Also, the problem here is that the process of  
4 processing these things, it is sort of getting easier and  
5 more difficult. There is an increasing number of actions  
6 that used to be processed on almost an administrative basis,  
7 and now they are being contested either by the licensee or  
8 by intervenors. So the process instead of getting simpler  
9 is getting more and more difficult.

10 The SEP is the next item. The issue in this case,  
11 first of all, it is a program that has had a turbulent  
12 period. During the aftermath of the accident, people were  
13 pulled away, and then put back on this thing. The resources  
14 have been pulled in and pulled off. The same people who  
15 were doing the TMI action items were in the SEP program.  
16 The resources have been restored to SEP now.

17 There is a problem in licensees not pursuing the  
18 program vigorously as might be expected, and it does drag it  
19 out.

20 We need some clarification within our own staff  
21 concerning the specific definitions of what is to be done at  
22 each of the 11 plants. We have to establish better  
23 schedules. The schedules that we have, we might as well  
24 fold up and establish new schedules.

25 We have to figure out a relationship between this

1 program and the Baker amendment, where we go from here in  
2 pursuing it, and at least tying it to the planning. We have  
3 to show some relationship of this program with the IREP  
4 activities, and the unresolved safety issues.

5 NRR has the lead, and I have asked them, or will  
6 be asking them within the context of the follow-up actions  
7 on the budget, to ask them to address each one of these  
8 three points.

9 It is significant in terms of resources and 32  
10 people, and the close to \$1.6 million that we are putting in  
11 this thing. I just don't have a firm grasp for the  
12 resources in that area.

13 The next slide, please.

14 Equipment qualifications, this is the one that you  
15 have discussed at length today. I had to leave early to go  
16 across the street to another meeting. I wanted to say that  
17 we are asking the officers to establish a program plan for  
18 this item.

19 CHAIRMAN AHEARNE: You are very responsive.

20 MR. DIRCKS: I understand the Commission asked for  
21 that this morning.

22 CHAIRMAN AHEARNE: That is right.

23 MR. DIRCKS: That was my punchline that I did not  
24 get to issue when I had to go off. They are going to do  
25 this.

1           If there are no questions, I could move off.

2           Next slide please. Why don't you put the other  
3 one on, and you will have some idea of the fiscal '80  
4 resources. We had some discussion revolving around that  
5 this morning, and I wanted to place that table on the screen.

6           Why don't you go on to the next slide.

7           The next point is the NMSS program, and there are  
8 five programs there: waste management, domestic safeguards;  
9 transportation, fuel cycle and material safety, and spent  
10 fuel storage.

11           The first slide is the 15 -- Move on to the next  
12 slide.

13           This is the high level waste management program.  
14 We have some problems in this area because we have to find  
15 out where we are going with it. There have been some  
16 signals thrown up by the Congress that causes us to take a  
17 deep breath and wonder where it is heading.

18           The whole idea of demonstration sites is being  
19 questioned by the Congress, and we have to straighten that  
20 out. We have no increases in the program. We did not get  
21 our supplemental request in the high level waste management  
22 program. We got no increases in the '81 program. We were  
23 told that this linked in with the whole issue of  
24 reprocessing.

25           With that we have put this thing into a -- The

1 program is moving as far as we are concerned, but until we  
2 get some further guidance, it is unclear.

3 There are some accomplishments in this area. We  
4 got the technical ruled out. We have an advance notice out  
5 on the technical reactor, and it is moving ahead.

6 The next slide, please.

7 This is the low level waste program. Again, this  
8 program has moved back and forth. Resources have come in  
9 and out of it. I think that we have settled it down to some  
10 extent. There are 31 people and close to \$3.5 million in  
11 the total program.

12 There are three dedicated people right now working  
13 TMI waste issue. To the extent that we move people off the  
14 general low level waste program into something like TMI, it  
15 does slow down the rest of it. They are working on low  
16 level waste, but when you look at the book that Peter has  
17 there, you will find that some of the milestone that should  
18 have been accomplished have not been accomplished because  
19 people are now working on the TMI waste issue. That is why  
20 it is difficult to get these two in synch. It is something  
21 that we have to work on.

22 COMMISSIONER BRADFORD: There are two different  
23 problems with the book. If, in fact, the book is accurate,  
24 but the explanation is that the people are working on TMI  
25 that is all right in itself. There are always going to be

1 some reason why a particular target is not being met, and  
2 one just wants a system that tells you what the reason is.  
3 That is not the major concern.

4 The major concern is in areas where the book is  
5 for some reason non-reliable. A particular index turns out  
6 not to make sense in terms of the real world, or something  
7 like that. But if the explanation is just that the goal was  
8 not met because we reprogrammed, and put people to work on  
9 something else, then all we need is a system that tell you  
10 that.

11 MR. DIRCKS: It should be reflected in there.

12 COMMISSIONER BRADFORD: Yes.

13 MR. DIRCKS: But things have been happening at  
14 such a fast pace that the actual records are not picking up  
15 what is actually happening. In some cases, the goals may  
16 warrant --

17 May I have the next slide, please?

18 Uranium recovery, there it is an issue that we  
19 will get into more as we get into the budget. It is both a  
20 casework problem, and actual development of regulations  
21 problem. We have got to get out the final GEIS  
22 regulations. They are supposed to be here. The states want  
23 them. The same people who work on regulations are also  
24 working on cases.

25 We have asked for an increase in the '80

1 supplemental and the '81, and we were turned down. It is  
2 difficult to carry out this program faster, including the  
3 support that we want to give to the agreement states. It is  
4 a real scarcity of resource problem.

5 The next slide, please.

6 There is one thing that I stressed when I got over  
7 to NMSS, and that was to try to identify as much as possible  
8 this program into the casework area. I think they have done  
9 that. It may not be reflected on all the books, and that is  
10 the problem. There were many things that they were doing  
11 that were not counted as casework. What we tried to do was  
12 to put much more emphasis on casework as on the development  
13 of regulatory base activities.

14 They have also developed something called the  
15 generic technical issues, pulling a page from the NRR book,  
16 which I always marvelled at. They would get resources over  
17 in NRR, and

18 CHAIRMAN AHEARNE: I notice that you are  
19 succeeding.

20 COMMISSIONER GILINSKI: Where is the upgrade rule,  
21 then?

22 MR. DIRCKS: The material control and accounting  
23 upgrade rule?

24 COMMISSIONER GILINSKI: I thought there was also a  
25 physical security upgrade rule.



1 MR. DIRCKS: The physical security upgrade rule, I  
2 think you approved, and it is being implemented.

3 COMMISSIONER GILINSKI: Is that right?

4 MR. DIRCKS: Yes.

5 The material control and accounting upgrade rule  
6 is still in the process of being finished.

7 COMMISSIONER HENDRIE: Don't you remember, we came  
8 to a splendid set of compromises.

9 CHAIRMAN AHEARNE: I would question the word  
10 "splendid."

11 COMMISSIONER GILINSKI: And the material  
12 accounting?

13 MR. DIRCKS: I think there is an advance notice,  
14 or an advance of rulingmaking due in the early part of '81.

15 CHAIRMAN AHEARNE: I notice that the Browns Ferry  
16 crew has arrived. At the rate you are going, I take it that  
17 it will take you another hour to go through this.

18 So let me ask my colleagues, would they like to  
19 allow the Browns Ferry people to talk for 20 minutes or so,  
20 and then continue this?

21 COMMISSIONER BRADFORD: I cannot come back just  
22 because I have things from 3:30 to 5:30. But if the other  
23 three of you want to pick this up again after Browns Ferry,  
24 that is fine.

25 COMMISSIONER HENDRIE: I have an appointment at

1 3:30.

2 CHAIRMAN AHEARNE: Obviously, you are neither  
3 going to hear all of this, nor Browns Ferry. Do you want to  
4 hear Browns Ferry, or some more of this?

5 COMMISSIONER HENDRIE: We dragged O'Reilly all the  
6 way up here from Atlanta. I think that we have got to put  
7 him on the platform while we still have a chance to hear  
8 him.

9 CHAIRMAN AHEARNE: Let's move this aside for a  
10 minute, and let the Browns Ferry people come up.

11 COMMISSIONER BRADFORD: Let me just say, Bill,  
12 since I will not be back for the end of this, that I am  
13 fully supportive of what you said about keeping the system  
14 under development, and then moving forward to see how that  
15 comes out.

16 It seems to me that the ability to sit down, and  
17 in a couple of hours go through these programs, and get a  
18 sense of where they are, would be a terrific advance. At  
19 the moment you are in a position of having to tell us not to  
20 believe our instruments, and that is one that I don't think  
21 the agency should stand for much longer.

22 COMMISSIONER HENDRIE: We will have to develop a  
23 budgetary safety information valve to which we turn if there  
24 is any doubt about the ordinary display.

25 (Recess.)

1 CHAIRMAN AHEARNE: Let's resume.

2 MR. DIRCKS: I think we have finished domestic  
3 safeguards, and we will go down to the next one.

4 The next slide, please.

5 Transportation has been identified as a program  
6 area that is being tracked. No major issues there, except  
7 that it was that old NSF spent fuel cask that was withdrawn,  
8 and it is still out of service pending additional reviews.

9 There is another issue on the toughness criteria  
10 for transportation casks. There does not seem to be any  
11 interest in developing on a larger scale casks on the part  
12 of the vendors.

13 CHAIRMAN AHEARNE: To take more elements?

14 MR. DIRCKS: Yes, the 2,000 pound items.

15 MR. HANRAHAN: Would that be just a railroad  
16 cask?

17 MR. DIRCKS: It is a cask that would have to be  
18 100 tons.

19 MR. HANRAHAN: Are the railroads still nervous?

20 MR. DIRCKS: They have a special train.

21 CHAIRMAN AHEARNE: In the absence of reprocessing,  
22 you have to ground out from the cask for business.

23 MR. DIRCKS: Among other business.

24 (Laughter.)

25 MR. DIRCKS: The next item is the fuel cycle and

1 material safety. This is a resource meter in NMSS. We are  
2 going to have to a revolutionary look on the way we do  
3 materials licensing. This is the grind in and grind out  
4 portion, the thousands of licenses. It is a big production  
5 item. We are always fighting a backlog. We never seem to  
6 be able to cope with it.

7 John Davis has talked to me about it. He is  
8 taking a look at it. We are going to come to the Commission  
9 with some proposals. We just have to because this is  
10 something which is being inundated.

11 I might mention two other issues here. The ALARA  
12 Program --

13 CHAIRMAN AHEARNE: Would this also be where you  
14 have these medical licenses that get looked at by mail?

15 MR. DIRCKS: Yes.

16 When you are dealing with thousands of licensees,  
17 you just wonder what we are getting out of this.

18 CHAIRMAN AHEARNE: It really is a fundamental and  
19 philosophical question.

20 MR. DIRCKS: Yes.

21 Let me mention one other thing, the Part 20 rule  
22 that we are working on. This is an issue. We have got a  
23 task force established, and it cuts across the offices. You  
24 do see resources in there. You do see standards, and  
25 research involved. A lot of that is in the Part 20 effort.

1 We are working to revise tht.

2 CHAIRMAN AHEARNE: Where to the 80 manyears of I&E  
3 go?

4 MR. DIRCKS: That is in the inspection of the  
5 entire materials licensing area, not only the plants, the  
6 fuel cycle plants, the materials licensees. Those are the  
7 ones that are involved. The few that we have stationed at  
8 the sites looking at trucks coming in. As the number of  
9 licenses increases, the number of inspectors would go up.

10 CHAIRMAN AHEARNE: I would have thought that that  
11 would have been under the transportation, and then under low  
12 level waste.

13 MR. DIRCKS: When we talk about inspectors there,  
14 we are talking about people who are concerned about whether  
15 it is packaged correctly, whether the licensee generating  
16 the waste has packaged it correctly. This is one way of  
17 getting back to the generator.

18 CHAIRMAN AHEARNE: It does not come under the  
19 transportation I&E?

20 MR. DIRCKS: As far as I know, no. I will check  
21 it. This is the inspector that looks at cask shipments, the  
22 quality program on casks. I can check this out very  
23 quickly.

24 When you go back to the waste generators, that is  
25 where the problems occur that have closed down the sites.

1 We have a choice, either focus the inspectors at the funnel  
2 point, or spread the inspectors out to the thousands of  
3 licensees.

4 The next item is --

5 CHAIRMAN AHEARNE: The fuel storage, is that the  
6 next item?

7 MR. DIRCKS: Spent fuel is the next item.

8 CHAIRMAN AHEARNE: There is an increasing  
9 interest, I gather, certainly in some elements of the  
10 Congress, and I suspect in DOE for long-term surface  
11 storage. Where would that come as far as a regulatory  
12 review; is that under high level waste management, or is  
13 that in spent fuel storage?

14 MR. DIRCKS: It is under spent fuel storage.

15 CHAIRMAN AHEARNE: Do we have anyone in here who  
16 is looking at the question of longer term surface storage,  
17 what if any different regulations are needed?

18 MR. DIRCKS: I have asked that question a couple  
19 of times, and they could license that under the Part 72  
20 regulation.

21 CHAIRMAN AHEARNE: I would guess that we ought to  
22 try to make sure of that because given the push that appears  
23 to be coming, we might get a request. It would be kind of  
24 late at that time to then decide.

25 MR. DIRCKS: I have asked, and I have been told

1 that Part 72 covers it.

2 CHAIRMAN AHEARNE: There is a difference between  
3 Part 72 would cover, and we would be comfortable with  
4 applying Part 72.

5 MR. DIRCKS: I think that I asked that in two  
6 ways, but we will ask one more time.

7 That completes the NISS portion. The next one is  
8 the revised inspection program of I&E. You can show that  
9 slide.

10 This one does lay out the number of objectives  
11 that we were given. As shown there is a record of  
12 accomplishments. I think not all the objectives were  
13 achieved, and I think you know the reasons for many of the  
14 failures to achieve objectives.

15 The resident assignments have been impacted by the  
16 financial impact of relocating, the hiring freeze. We have  
17 a high turn over of inspectors. The latest number someone  
18 says is 18 to 20 percent turnover.

19 The performance appraisal teams objectives have  
20 not been met. We need the same type of people in the  
21 inspectors as we have on the PAC teams. As of July 1, PAC  
22 was only about 47 percent staffed. There are problems there  
23 in staffing, and in assigning people.

24 The other item that certainly came up during the  
25 budget review is that the scope and amount of interaction

1 between the resident inspection program and the regional  
2 based inspectors -- Does one build right on top of another?  
3 Is there a substitution effect, does one relieve the other  
4 of some inspecting activities? Can we reduce one, and build  
5 up the other? these are questions that we have to ask.

6 The next series of questions to deal with, the  
7 whole content of the inspection program, and how it may  
8 reflect the priorities of the licensing notices.. This  
9 issue came up during the budget review. It is something  
10 that I have to talk to Vic about, getting the input of the  
11 licensing notices in the inspector manual.

12 CHAIRMAN AHEARNE: I guess at the moment I am most  
13 concerned about what I see as a potential for the whole  
14 program to fall apart because of financial problems. We  
15 are, on the one hand, trying to rapidly increase and  
16 expanding this program which has in theory taken the better  
17 of our people, and put them in an environment where they  
18 have much responsibility, but in practice what it has ended  
19 up doing is put them in a situation where they are liable to  
20 a significant financial loss.

21 I just don't think that we are going to be able to  
22 make it much longer with the stop gap measures that we have  
23 been trying to work. I think that the program could just  
24 very well fall apart.

25 MR. DIRCKS: I think that we are addressing some



1 of those in some of the proposals that will be coming down  
2 to you. It is not only residents. I think with the  
3 inflation rate, the limitations on the amounts we can  
4 reimburse for travel, we are penalizing region based  
5 inspectors who spend an awful lot of time on the road.  
6 These employees are taking a financial loan.

7 CHAIRMAN AHEARNE: I don't think that we are going  
8 to be able to continue.

9 MR. DIRCKS: Those are the issues on the  
10 inspection.

11 In the inspection program, the mix between  
12 resident and region based -- It is not on your chart. It is  
13 an issue that really came up during the budget review when I  
14 started asking the question, if you have a resident and  
15 reduce the number of safeguard inspectors. It turned out  
16 that the answer is, no, because one does not substitute for  
17 the other. I think that this just caused us to say, we will  
18 take a look at the interaction.

19 CHAIRMAN AHEARNE: That was triggered by the ACRS,  
20 that is to simply write down in a fairly straightforward and  
21 short way what are the duties of a resident inspector. To  
22 some extent, when that is clearer than it is now, one can  
23 address then if that is what a resident is, and what the  
24 other reductions or additional responsibilities that have to  
25 be taken into consideration.

1 MR. DIRCKS: That is absolutely essential.

2 The research program, there are two items. The  
3 long-range research plan. That is similar to the item that  
4 we talked about earlier, the near-term construction permit  
5 items. The answer is usually, it is in the mail, and you  
6 will get it. You are going to get it every day, and it has  
7 not arrived yet.

8 MR. HANRAHAN: It is going to make the budget  
9 review very difficult.

10 MR. DIRCKS: It certainly has.

11 There are a lot of office comments that have been  
12 raised.

13 MR. HANRAHAN: You say the plan was forwarded?

14 MR. DIRCKS: Yes, but it has not arrived.

15 MR. HANRAHAN: Last Thursday?

16 MR. DIRCKS: Yes.

17 The post office dropped it off in Paris.

18 (Laughter.)

19 MR. HANRAHAN: This is the debt system?

20 MR. BARRY: This has nothing to do with debts.

21 Debt is a problem, but it is not related to that.

22 MR. DIRCKS: Certainly in the context of the  
23 research plan in the budget, we are going to have to talk  
24 about LOFT and its future, that is an example that we had  
25 some discussions going on between offices.

1 The next slide, please.

2 This is risk assessment. It is difficult for me  
3 to get too deep into this thing because I really have gotten  
4 that deeply into it. We talked about it in the budget. The  
5 Commission has talked about it not only this year, but in  
6 past years, how to get this methodology used in licensing  
7 notices.

8 To some extent, you have seen some use of it in  
9 some of the activities you have touched on, the Indian Point  
10 case, and others.

11 The underlying feeling, at least on my part and  
12 that of others, is that it has not been used enough, and how  
13 we factor it in there.

14 Just the simple fact that we have got the  
15 resources. There was no other resources listed except for  
16 the research program. I think only at the last minute,  
17 scurrying back, Norm dug up some resources that are  
18 applicable to this effort. We have to build a broader  
19 vision of this program.

20 CHAIRMAN AHEARNE: Since it was a year and a half  
21 ago, the Commission reached the conclusion after the Lewis  
22 study that, yes, this would have to be built into the  
23 licensing process, we are obviously making slow head way.

24 I can see what we are going to do. We are going  
25 to build the PAS staff up to about four times its size, and

1 then we are going to blend research with I&E and NRR.

2 (Laughter.)

3 MR. DIRCKS: You will see more of this. Bob  
4 Bornerio has come out of the office, and he is making a  
5 direct attempt to get this thing into the licensing process.

6 The next slide is the two basic programs within  
7 Standards Development, the health effects of low level  
8 radiation, and the decommissioning item.

9 May I have the next slide, please?

10 CHAIRMAN AHEARNE: Do you fit occupational  
11 exposure under that one, or is it a separate number?

12 MR. DIRCKS: That would come under that.

13 CHAIRMAN AHEARNE: I would have thought that under  
14 major issues, you would have addressed this problem of  
15 getting on with that rulemaking, the joint hearing with EPA.

16 MR. DIRCKS: That is an issue that EPA has not  
17 come along as rapidly as we wanted them to come.

18 CHAIRMAN AHEARNE: It is understandable.

19 MR. DIRCKS: It is connected in with Part 20,  
20 which I mentioned earlier. We have gotten comments back on  
21 that Part 20 rule.

22 CHAIRMAN AHEARNE: Can you explain, "met with  
23 reluctance of a Federal agency to supply data"? This is in  
24 No. 2 under major issues and problems.

25 MR. DIRCKS: That is the National Institute of

1 Mental Health.

2 CHAIRMAN AHEARNE: Which was the Federal agency  
3 that was reluctant to supply the data?

4 MR. DIRCKS: It must have been NIMH.

5 CHAIRMAN AHEARNE: The National Institute of  
6 Mental Health?

7 MR. DIRCKS: Yes.

8 CHAIRMAN AHEARNE: I was just trying to find out  
9 what that was.

10 MR. DIRCKS: The area of decommissioning --

11 CHAIRMAN AHEARNE: In the area of decommissioning,  
12 we are going to get the GEIS out?

13 MR. DIRCKS: We actually could get one. It is  
14 being circulated at least among the offices.

15 CHAIRMAN AHEARNE: Who is the contractor on the  
16 GEIS? It says that the contractor was unsatisfactory.

17 MR. DIRCKS: They were late in getting --

18 CHAIRMAN AHEARNE: I was just wondering whether it  
19 was on paper?

20 MR. DIRCKS: It was not that way. But we could  
21 the information, but it was not that way.

22 CHAIRMAN AHEARNE: Do you have any kind of goal  
23 for when that draft will be out for public comment?

24 MR. DIRCKS: If it gets into inter-office review,  
25 it would have to be in late September.

1 CHAIRMAN AHEARNE: No earlier?

2 MR. DIRCKS: No earlier than late September.

3 CHAIRMAN AHEARNE: I notice that a number of PUCs  
4 are beginning to move ahead in trying to address directly  
5 the question of decommissioning costs. I would not be  
6 surprised if in another six months or eight months, we would  
7 begin to be viewed as the obstacle in trying to resolve some  
8 of those issues.

9 MR. DIRCKS: The other issue in here is that EPA  
10 is responsible for developing some of the criteria for  
11 residual radiation, and they have not done so. Staff has  
12 met with EPA and discussed where we are going, and we have  
13 had some tentative agreement. But we are proceeding at our  
14 own risk because as you know that criteria can be changed  
15 later.

16 The next program is the international one. You  
17 can go right on to the next slide.

18 This deals not only with the export-import  
19 licensing program. It deals with the IAEA agreements, and  
20 you had some questions on that.

21 CHAIRMAN AHEARNE: I think the Commission signed  
22 off on Part 75.

23 MR. DIRCKS: It is an administrative type of  
24 question that I had hoped we would have the answer by now,  
25 but I have not heard. This cuts across all the offices.

1 NMSS has a number of people in regards to the export-import  
2 licensing.

3 The next slide is the emergency preparedness, the  
4 rulemaking action is basically down here now.

5 CHAIRMAN AHEARNE: We have on the major issues  
6 criteria being revised, and will be reissued. Is that the  
7 FEMA/NRC joint?

8 MR. DIRCKS: Is that right, Kevin?

9 MR. CORNELL: One item which is not on this list,  
10 the key memorandum of understanding related to emergency  
11 response is running into some staff problem. It is not an  
12 issue yet, but it is in the WASH/

13 CHAIRMAN AHEARNE: We had asked FEMA to evaluate  
14 the evacuation times around a list of plants.

15 MR. CORNELL: That is right, about a half dozen or  
16 so.

17 CHAIRMAN AHEARNE: We gave them a priority list,  
18 and I there are more like 12. Do you have any sense on how  
19 they are coming? I thought that they were due back.

20 MR. CORNELL: Not yet.

21 CHAIRMAN AHEARNE: Could you find out for me.

22 MR. CORNELL: Yes.

23 CHAIRMAN AHEARNE: I think that this may start  
24 becoming an issue because in a number of cases we have  
25 responded to requests to examine the emergency planning

1 around the plants, and part of our response has been, we  
2 have asked FEMA to examine this.

3 MR. CORNELL: Indian Point is an example.

4 CHAIRMAN AHEARNE: Yes.

5 I know that they ran into some problems getting  
6 funds, and contracting, and so forth. But if you could give  
7 me some sense.

8 What I would really like is to ask them for  
9 something like 12 plants, and that they now begin ticking  
10 off. Then you will get this plant by this time --

11 MR. CORNELL: As I recall, there was a schedule  
12 laid out.

13 CHAIRMAN AHEARNE: Right, but I think they missed  
14 that.

15 MR. DIRCKS: The next slide, please.

16 This is the operational data.

17 Why don't you go on to the next slide.

18 This is Michelson's office. Basically, it is  
19 self-established. It is trying to work out how it fits into  
20 the organization. I have issued a memorandum to the office  
21 directors explaining the role of the office, and how they  
22 should work with it.

23 CHAIRMAN AHEARNE: The Nuclear Safety Information  
24 Center is what.

25 MR. DIRCKS: No, that is the thing at Oakridge.



1                   CHAIRMAN AHEARNE: When is his charter going to be  
2 in place?

3                   MR. DIRCKS: I saw a draft of it about two weeks  
4 ago.

5                   MR. CORNELL: My recollection is that the draft  
6 needs considerable revision. It needs a lot of work, and my  
7 collection is that it is toward the end of December. The  
8 deadline that you put on it is January.

9                   CHAIRMAN AHEARNE: We are beginning to get a  
10 number of questions about it.

11                  MR. DIRCKS: Right.

12                  I think the thing here that we have to straighten  
13 out is that this has been an on-going activity in many of  
14 the offices. This is a new office, and we are trying to  
15 work out where it fits in.

16                  As you can see there are lots of resources  
17 throughout the agency left in the offices to do this. I  
18 think the Commission did request us to go that way. But I  
19 don't think there any question that the Commission wanted  
20 Michelson to assume the primary role here.

21                  CHAIRMAN AHEARNE: Right.

22                  MR. DIRCKS: Like in everything else, it is very  
23 difficult to pin down resources devoted to this thing. He  
24 has approached people, and if one set of numbers does not  
25 please him, the office will come up with another set.

1           One way to do this, and we did not do it this year  
2 but we will be doing it in the future, is to have budget  
3 requests for this function to go through Michelson, for him  
4 to really take the role of allocating resources. That  
5 would, I think, give that office a visibility and the  
6 strength he needs to get the job done.

7           MR. CORNELL: One of the other problems related to  
8 that is that the exact definition of the Office of  
9 Operational Data is kind of fuzzy in all of I&E.

10          MR. DIRCKS: Yes.

11          CHAIRMAN AHEARNE: Yes.

12          MR. CORNELL: That is why it is very difficult to  
13 pin down, not because they are doing other things, but  
14 because of which definition is used. I think that needs to  
15 be worked out.

16          CHAIRMAN AHEARNE: Yes. One of the reasons to try  
17 to pin down his charter is to do that.

18          MR. DIRCKS: The last item is the TMI action  
19 plan. Here at the beginning part of this was sketchy. This  
20 is very sketchy because we are just beginning to tabulate  
21 the items, putting them in sort of a format with which we  
22 can do some tracking.

23                 We have a few items listed here as complete by  
24 June '80, and we are not really sure what complete means.  
25 All we can do here is point to the fact that we are working

1 on it more as a tentative computer program to do some  
2 tracking. There are 150 items on it in various states of  
3 definition.

4 CHAIRMAN AHEARNE: That is really a very  
5 substantial problem that you will have to think a lot more  
6 about because the whole agency has said that our response to  
7 Three Mile Island was an action plan. The action plan was a  
8 major effort to summarize all of these items that were  
9 specifically linked to the accident, and were responsible  
10 for the accident. We ought to have a pretty good way of  
11 being able to tell whether or not, if we put in all that  
12 effort into giving them direction.

13 Vic, are there any questions?

14 (Laughter.)

15 COMMISSIONER GILINSKY: I want to know what we are  
16 doing about hydrogen control

17 Is this finished?

18 CHAIRMAN AHEARNE: Yes.

19 MR. DIRCKS: First thing is, it is in the  
20 rulemaking action. The second thing is, there were proposals  
21 down here on the inerting portion. The third thing is, they  
22 have identified hydrogen control.

23 COMMISSIONER GILINSKY: I know that they are down  
24 here, but where does that fit in with your tracking system.  
25 Is it one of those?

1 MR. DIRCKS: It is not one of these 19 program  
2 areas, but it is certainly one that Harold and I have  
3 identified, and we are tracking it. It is not in this sort  
4 of PPPG package, but it is a separate item that we are  
5 watching, and it is applicable to a limited number of  
6 plants. All I can say is that we have it, but we don't have  
7 all the data on it.

8 COMMISSIONER GILINSKY: What distinguishes things  
9 that are tracked?

10 CHAIRMAN AHEARNE: The main thing that  
11 distinguishes the 19 is that we, as a Commission, sat down  
12 earlier this spring and reviewed a large list of items, and  
13 ended up with, here are the sets and subsets that will be  
14 given this prominence for tracking, and that is where the 19  
15 came from.

16 MR. DIRCKS: It is not a major budget  
17 cross-cutting issue. It is a technical issue that is being  
18 watched by Denton and myself.

19 CHAIRMAN AHEARNE: These are resource allocation,  
20 to a large extent, that we are tracking.

21 COMMISSIONER GILINSKY: All right.

22 CHAIRMAN AHEARNE: I think you are point out that  
23 there is some additional sort of milestone tracking system  
24 that is probably required, and that it is not always  
25 restricted to the resources. But there are some items that

1 you want to keep track of.

2 COMMISSIONER GILINSKY: What concerns me about  
3 this one, I don't know how it is going to turn out. Maybe  
4 we have a fix, and it is all over, and okay, and so on. But  
5 if the problem turns out not to lend itself so easily to  
6 fixes, then we are certainly talking about possibly major  
7 resource allocations outside of the safety. For that  
8 reason, even if just the possibility exists, it is something  
9 that we want to get on, and get clear on as quickly as  
10 possible because it could affect a fair number of major  
11 facilities.

12 MR. DIRCKS: I will go back and get a hold of  
13 Harold, and see where the whole thing lies right now.

14 COMMISSIONER GILINSKY: I am not criticizing  
15 because it may well be that it is being followed closely,  
16 and you are going what needs to be done. But since it is  
17 not filed in the basic system that tracks the major items  
18 that the Commission has picked out, I am concerned to  
19 develop whether it is being followed closely.

20 MR. DIRCKS: Okay.

21 CHAIRMAN AHEARNE: Any other questions.

22 I want to thank all of you who have stayed through  
23 this afternoon. These are the kinds of pieces of  
24 information system that I am sure we share the belief that  
25 they are still in rudimentary development, but with the

1 continued effort that I am sure you will continue to be  
2 placing on it in the new inspired Commission which will  
3 place stronger emphasis upon management, this kind of system  
4 will serve you well.

5 The meeting is adjourned.

6 (Whereupon, at 4:05 p.m., the meeting was closed.)

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NUCLEAR REGULATORY COMMISSION

This is to certify that the attached proceedings before the  
Commission

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in the matter of: Briefing on Mid-Year Review of Financial Plans  
and Programs

Date of Proceeding: July 15, 1980

Docket Number: \_\_\_\_\_

Place of Proceeding: Washington, D. C.

were held as herein appears, and that this is the original transcript  
thereof for the file of the Commission.

Patricia A. Minson

Official Reporter (Typed)

*Patricia A. Minson*

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