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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

May 9, 1980

OFFICE OF THE
SECRETARY

COMMISSION DETERMINATION REGARDING PUBLIC DISCLOSURE
UNDER THE GOVERNMENT IN THE SUNSHINE ACT OF:

Transcript of Discussion of Preliminary
Budget Markup/Recall (p.m. Session)
July 28, 1978

The Commission previously determined that the subject transcript should be withheld from public disclosure until the Commission's FY-80 Appropriation became law.

Following enactment into law of the Commission's FY-80 Appropriation, the Secretary of the Commission, upon the advice of the General Counsel, determined that the subject transcript should be released in its entirety.

A handwritten signature in black ink, appearing to read "Samuel J. Chilk".

Samuel J. Chilk
Secretary of the Commission

NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

CLOSED MEETING: Exemption 9

PRELIMINARY BUDGET MARKUP OR RECALL

AFTERNOON SESSION

(FY 80 Budget)

Place - Washington, D. C.

Date - Friday, 28 July 1978

Pages 1-110

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CLOSED MEETING

Exemption 9

PRELIMINARY BUDGER MARKUP OR RECALL

11th Floor
Commissioner's Conference Room
1717 H Street, N.W.
Washington, D.C.

Friday, 28 July 1978

Meeting in the above-entitled matter was convened,
pursuant to recess, at 2:30 p.m.

PRESENT:

JOSEPH HENDRIE, CHAIRMAN
RICHARD KENNEDY, COMMISSIONER
VICTOR GILINSKY, COMMISSIONER
PETER BRADFORD, COMMISSIONER

L. BARRY
L. GOSSICK
W. DIRCKS
B. COOPER
S. HANAUER

P R O C E E D I N G S

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dor 1 2

3 CHAIRMAN HENDRIE: Well, Research. Here come the
4 heavy dollars in Systems Engineering which is where we do a
5 big piece of business for the agency.

6 COMMISSIONER GILINSKY: I wonder if I could ask
7 you to reverse. I am going to be leaving probably in the
8 middle of this.

9 CHAIRMAN HENDRIE: All right. What do you want
10 to start on?

11 COMMISSIONER GILINSKY: I wonder if we could work
12 from the bottom up rather than the top down? Is that going
13 to upset you?

14 CHAIRMAN HENDRIE: I won't upset me.

15 COMMISSIONER KENNEDY: It makes no difference to
16 me.

17 CHAIRMAN HENDRIE: I have surpassing mental agility
18 to go round the table.

19 MR. BARRY: We've never learned to add up.

20 CHAIRMAN HENDRIE: Barry and Cooper will be totally
21 grossed out, I believe the phrase is.

22 Okay. You want to deal with Frisk assessment:
23 Right?

24 COMMISSIONER GILINSKY: Right.

25 CHAIRMAN HENDRIE: Or are you just trying to get
to safeguards?

dor 2

1 (Laughter.)

2 Okay. I think it has been trimmed back fairly --
3 scrubbed pretty good from the office request. But it may be
4 one of the salvations of the future.

5 I was inclined to accept the set aside. But what
6 we might do right now in connection with it, you see in Risk
7 assessment there was part of that improved safety research
8 program which was going to amount to two people and one million
9 eight in fiscal '80.

10 There are other chunks of it up the line in Systems
11 Engineering and while there is other places, it seems to
12 me the Commission has sort of agreed in principal to that
13 program and has been authorized. People are asking why weren't
14 we doing things and so on.

15 Besides which by 1980 will be four million and
16 change a year, and be about that level for several years.
17 Seems to me a reasonable response.

18 COMMISSIONER GILINSKY: Five million.

19 MR. GOSSICK: 4.34 the improved safety, the rest
20 of it is risk assessment.

21 CHAIRMAN HENDRIE: That's right. It's actually--

22 MR. DIRCKS: 4.3 is split out through three positions,

23 MR. HANAUER: Sol's slide is clearest on that, does
24 anybody have that?

25 CHAIRMAN HENDRIE: Yes, you are right. It's a

dor 3 1 little bit more. 4.3

2 MR. HANAUER: Three positions and 4.3 million and
3 in a minute I'll tell you where it goes.

4 CHAIRMAN HENDRIE: Two of it in 1.8 million go in
5 here.

6 COMMISSIONER KENNEDY: Where did they go?

7 MR. HANAUER: I'll tell you in a minute after I
8 find --

9 MR. BARRY: 1.8 goes in risk.

10 CHAIRMAN HENDRIE: Two people and 1.8 million go
11 in risk assessment. One person and 2 million go in System
12 Engineering.

13 MR. HANAUER: And a little dab in code development.

14 CHAIRMAN HENDRIE: And no people and a half million
15 go in code development. Okay.

16 MR. HANAUER: It's one of the set asides.

17 MR. GOSSICK: It's right on here on this table.

18 CHAIRMAN HENDRIE: If you have the second page of
19 this thing it shows. So it's 4.3 and 3 people total and you
20 know unless we're going to run up stream against what seems
21 to be a very strong Congressional incentive, that I think is
22 a reasonable sort of thing to go in the program.

23 Why don't we just approve those set asides right
24 now and accept them, and then if the EDO mark on risk assess-
25 ment would be acceptable to you, it would give us an '80 mark

dor 4 1 of 29 people and 7.56 is that right?

2 MR. BARRY: Yesterday we talked about perhaps making
3 improved safety discrete decision.

4 CHAIRMAN HENDRIE: I continue to think that the
5 visibility of the program requires that it be a separate
6 decision. But do that.

7 But in terms of these sheets I'm going to put the
8 set asides into the decision units they apply to so I can add
9 and subtract up and down the line. But you sort them out.

10 MR. BARRY: The point I wanted to make was that when we
11 present it to OMB then, the risk assessment decision unit will
12 be a little less than you would have in here.

13 CHAIRMAN HENDRIE: It will be 27 and 57 60.

14 MR. BARRY: The 1:8 will not show up in here, it
15 would show up in --

16 MR. HANAUER: It would be more than 57 60.

17 CHAIRMAN HENDRIE: Right.

18 MR. HANAUER: The 57 60 doesn't have the set
19 aside in it.

20 CHAIRMAN HENDRIE: I think from the stand point of
21 visibility --

22 COMMISSIONER KENNEDY: Improved safety systems
23 is a single one.

24 CHAIRMAN HENDRIE: And also I must say, because if
25 somebody up or down the line decides they won't have this

dor 5 1 program no how and want to chop it up, why I don't want to
2 have to be defending 9 or 10 decision units in trying to
3 remember where the improved safety research money is buried
4 for God sakes.

5 COMMISSIONER GILINSKY: Right.

6 CHAIRMAN HENDRIE: Okay, now we got to your favorite
7 subject, safeguards.

8 I think a substantial increase in this sort of work
9 is in order.

10 COMMISSIONER KENNEDY: I would say about 10 million.

11 CHAIRMAN HENDRIE: 30 people, 10 million?

12 COMMISSIONER KENNEDY: Roughly. Actually it would
13 have to be at least 30 people in order to maintain the standard
14 unit of what they have.

15 (Laughter.)

16 COMMISSIONER KENNEDY: Ratio of dollars to people.

17 CHAIRMAN HENDRIE: All right, we've had out fun.

18 Go ahead.

19 COMMISSIONER GILINSKY: Could I just ask for the
20 risk assessment? The dollars are more than the Rasmussen
21 study and the people are about half of that, aren't they?

22 MR. HANAUER: Yes they are going out now for contracts
23 whereas the Rasmussen study was just to buy people to do the
24 study. These are contracts they have -- they are in the process
25 of developing a number of contracts so that they use program

dor 6 1 support where Rasmussen study is very --

2 COMMISSIONER GILINSKY: The Rasmussen study was a
3 very major study to produce a big document. What's coming
4 out of here?

5 MR. HANAUER: What comes out of here is really
6 three things. One is methods development, things that need to
7 be improved since the Rasmussen study. One is application,
8 risk studies of this and that.

9 COMMISSIONER GILINSKY: You people are productively
10 employed?

11 MR. HANAUER: Pardon me?

12 COMMISSIONER GILINSKY: In your view the 27 people
13 are productively employed?

14 MR. HANAUER: Yes sir. There is a little dab of
15 money in here to start reactor safety study update, to plan
16 for it.

17 CHAIRMAN HENDRIE: But it's really no where near
18 the bulk of this money, in fact it's a fairly small planning --

19 MR. HANAUER: 200 K. It's planning money. In the
20 outyears there's a big hunk of money proposed for it.

21 COMMISSIONER GILINSKY: Yes.

22 CHAIRMAN HENDRIE: Well, let's see, I think the
23 EDO's up here look reasonable to me.

24 Okay. You want to get up to safeguards, is that
25 where you were about to -- could we cut it down in the outyears?

dor 7 1

(Laughter.)

2

COMMISSIONER KENNEDY: As a matter of fact, it's now going to show a decline in the outyears.

4

COMMISSIONER GILINSKY: 59 to 62.

5

6

CHAIRMAN HENDRIE: It goes up in '81. Holds steady' in '82.

7

8

COMMISSIONER GILINSKY: Why is that? Why is it going up?

9

10

COMMISSIONER KENNEDY: Which? Oh, I thought we were talking about risk assessment. I'm sorry.

11

12

13

CHAIRMAN HENDRIE: We've stabilized on the set aside plus, so putting the set aside numbers in I then get 29 and 75 60.

14

15

COMMISSIONER KENNEDY: Yes. That shows a decline in the outyears now.

16

17

CHAIRMAN HENDRIE: But I think the outyears ought to show 29 29 to be consistent.

18

19

COMMISSIONER KENNEDY: The dollars are going to show decline.

20

21

22

CHAIRMAN HENDRIE: And the dollars will come down but that can be -- if it's necessary to clean that up next year, we'll clean it up next year.

23

24

MR. HANAUER: Yes. The dollars go up some because that's when the safety study follow on gets started.

25

CHAIRMAN HENDRIE: Safeguards.

dor 8

1 MR. HANAUER: I'm sorry, when you are talking 29 and
2 29 I thought you were in --

3 COMMISSIONER GILINSKY: No, we're talking 59 28.
4 Why has that gone up?

5 MR. HANAUER: I can't tell you --

6 COMMISSIONER GILINSKY: Seems to me that ought to
7 be going down.

8 MR. HANAUER: There was a story, and I didn't retain
9 it, for the 100 K. I don't remember. It's level of effort.
10 You can't predict in '81 what their actual projects will be.

11 COMMISSIONER GILINSKY: Well a large fraction of
12 that is for the fuel cycles. They keep coming back. There
13 are 11 fuel cycles facilities.

14 I realize this has got reactors in it too, but it
15 does look like 1 person per fuel cycle facility. So you
16 have got half a person per fuel cycle facility. I mean this
17 is kind of crazy.

18 How much of that is for material accounting? Do
19 we know? Why do they need 11 people for 6 million dollars
20 when primary fuel integrity does 10 million dollars worth
21 for 11 people? Or advanced converters does 4 million dollars
22 worth with 4 people?

23 MR. DIRCKS: They have lots of little contracts.

24 MR. HANAUER: This is the safer people question.

25 CHAIRMAN HENDRIE: I've got a proposition to make

dor 9 1 here. The SAFER Division has been agonizing over people for
2 a while and they wanted to put 2 more in reactor environment,
3 4 more in waste management. What would you think of knocking
4 3 out of the safeguards and letting them have the 6 up above.
5 That's a net 3 for SAFER and probably more than they deserve.

6 COMMISSIONER GILINSKY: Where are you putting them
7 now?

8 CHAIRMAN HENDRIE: I put 2 in the reactor environment.
9 4 in waste management like Arseneault requested, but I'd knock
10 safeguard division 3, so they get a net --

11 COMMISSIONER GILINSKY: Why do they need people in
12 reactor environment? They've got 6 million dollars worth of
13 stuff.

14 MR. GOSSICK: Can I just give you something here
15 Mr. Chairman? We have been after Sol on his overhead over
16 there in small divisions, or small branches, rather. Right
17 now SAFER has got a division director, a deputy director, a
18 technical assistant, 3 secretaries, 2 AD's, another technical
19 assistant. He's got 4 branch chiefs with 3 secretaries.
20 That leaves him with 11 program managers, roughly 4 per branch.

21 COMMISSIONER GILINSKY: How many?

22 MR. BARRY: Out of 26.

23 MR. GOSSICK: I know it's painful, and he'll
24 probably scream, but if he went to a division director and
25 a deputy with a couple of secretaries he could have 2 branch

dor 10 1 chiefs with a secretary, and 8 project managers in each branch
2 and 2 secretaries to support the project managers.

3 COMMISSIONER GILINSKY: 16 project managers out of
4 26

5 MR. GOSSICK: It's top heavy, and everybody's the
6 chief.

7 COMMISSIONER GILINSKY: I would take those 3 out and
8 switch to your argument.

9 CHAIRMAN HENDRIE: That will cut it to 13 project
10 managers.

11 MR. GOSSICK: He argues that he's got to have these
12 and that sort of thing, but it's just over organized for the
13 size.

14 MR. HANAUER: He argues as follows: he says that
15 he has a much wider span of disciplines to cover and that he
16 has a lot of little contracts which the way contracts go around
17 here means he has to eat up a lot of manpower. To some
18 extent this is true. He also has a lot of overhead and a lot
19 of unrealized potential too.

20 The use of fewer number of big contractors instead
21 of a large number of smaller contracts, none of which can be
22 done to perfection.

23 I felt that this was misorganized. He said he's
24 got all his branch chief and so on working.

25 COMMISSIONER KENNEDY: His branch chiefs?

dor 11 1 MR. HANAUER: That's what he says, he says they
2 are working like hell over there and not getting their work
3 done.

4 COMMISSIONER GILINSKY: Well, it's like we were
5 talking about the amendments, they just got to find a different
6 way of doing things.

7 MR. HANAUER: Yes.

8 COMMISSIONER GILINSKY: And it seems to me 11
9 guys for 6 million dollars -- actually, how much safeguards
10 contract money is there altogether in the agency?

11 CHAIRMAN HENDRIE: In total? '79 will be 14 and a
12 half million, and in '80 about the same, 14 and a half million
13 dollars and then the research portion of that in '79 is 6
14 million 2, and in '80 will be 5 million 8.

15 COMMISSIONER KENNEDY: They've got 1 person for
16 every 5 hundred thousand dollars.

17 COMMISSIONER GILINSKY: Yes.

18 MR. HANAUER: That's right, that's the story in the who
19 SAFER division.

20 MR. BARRY: And the safeguards money has been going
21 out in pretty sizable chunks.

22 MR. HANAUER: You've got two safeguards branches.

23 COMMISSIONER GILINSKY: Why does it go in little
24 chunks, who does it go to?

25 MR. HANAUER: The environmental stuff --

12 1 COMMISSIONER GILINSKY: The safeguard stuff, I
2 thought it goes to Sandia.

3 MR. GOSSICK: It goes in big chunks. It goes in
4 pretty big chunks.

5 COMMISSIONER GILINSKY: So if it goes in big chunks
6 there is even less argument for having so many people. I tell
7 you I'd cut it down to 5 people, 5 professionals anyway, or 7.
8 It just seems crazy.

9 COMMISSIONER KENNEDY: I wonder if this will bring
10 about a reorganization? This is a substantial cut, they won't
11 be able to stand the overhead then. They'll have to distribute
12 the overhead into useful employment.

13 CHAIRMAN HENDRIE: How many people are there in the
14 SAFER Division now?

15 MR. BARRY: 26 in '78.

16 MR. HANAUER: Does that include officer overhead?

17 MR. BARRY: No, that's pure, I think. In '79 in
18 SAFER with the overhead there was 36. And in '80 we programed
19 to go to 38.

20 CHAIRMAN HENDRIE: How many are there now?

21 MR. BARRY: In '79, including the overhead, there
22 is 36.

23 CHAIRMAN HENDRIE: 36 people in 1979?

24 MR. BARRY: Yes. And then they asked for 51 in
25 '80 and the EDO and ourselves knocking them down to 38 so we

dor 13 1 gave them a plus 2.

2 CHAIRMAN HENDRIE: Let me see how you would like
3 sort of a counter recommendation that they have asked for more
4 people and come back in and made an impassioned reclama for 6
5 more than the EDO mark in the SAFER Division. Why don't we
6 direct them to confer directly with the office of research
7 and the EDO and reorganize that division to reduce the overhead
8 fraction; and, in effect, improve their indian to chief
9 ratio to accomplish some of the aims of the 6 person request
10 And rather than mandate, why don't we suggest to them that
11 it seems to us that the safeguards area, perhaps in
12 particular, seems to have an excessive staffing level but sort
13 of leave the division to sort out it's problems and get it's
14 work done and assigned.

15 COMMISSIONER GILINSKY: Well, that makes sense if
16 you think whatever comes out of here ought to get at it some
17 where else.

18 CHAIRMAN HENDRIE: How do you mean? I'm saying
19 they've got 36 people authorized in '79, they want --

20 COMMISSIONER GILINSKY: Oh, I see.

21 CHAIRMAN HENDRIE: I'm saying get the work done
22 at levels --

23 COMMISSIONER GILINSKY: How would you allocate
24 that?

25 CHAIRMAN HENDRIE: Well, what I'd do is to suggest

dor 14 1 tr nem that safeguards, that their overhead strength, the
2 ratio of overhead to working troops is too great. And secondly
3 that the commission feels there are probably too many people
4 assigned into that safeguard task in view of the contracts --

5 COMMISSIONER GILINSKY: They started the fuel
6 cycle environment, is that the idea so you'd be --

7 MR. HANAUER: Reactor environment.

8 CHAIRMAN HENDRIE: Fuel cycle. They run -- where
9 are they? Yes, they run from here down to here.

10 COMMISSIONER GILINSKY: So right down here we've
11 got 23 31 38, and you would be keeping them at --

12 CHAIRMAN HENDRIE: 36.

13 COMMISSIONER GILINSKY: -- 36, okay.

14 MR. BARRY: Now you want to keep in mind, of course,
15 their work load in one area is going to grow pretty dramatically
16 in the next two years, and that's waste management. They
17 are waste management and that's where we gave them the increase.
18 We didn't give them what they asked for.

19 COMMISSIONER BRADFORD: What kinds of overlap
20 are you getting, though, between the waste management increase
21 here and the waste management increase in NMSS. That was also
22 research --

23 MR. GOSSICK: It's very hard to distinguish between
24 some of those tech assistance work that NMSS is doing and
25 I'll admit this looks like research. I don't know that there

dor 15 1 is any other research that Levine and Company are doing over
2 there that could really be called tech assistance, but it's in
3 my view more of NMSS's where it should be properly being done
4 by these people and they should probably have the people to go
5 with it. But a lot of the work out there on risk assessment
6 kind of stuff that they are messing around with, waste manage-
7 ment, a sizeable chunk of dollars and it really ought to be
8 done by Buhl and Company in my view.

9 COMMISSIONER BRADFORD: Is the 9 hundred thousand
10 in the wrong place?

11 MR. GOSSICK: The 9 hundred thousand, I think, is
12 probably appropriate for the NMSS folks. Do you think that Sol?
13 Looking at other media there?

14 MR. HANAUER: They're going from 20 to 40 million.
15 I can't even find that hundred thousand in that.

16 CHAIRMAN HENDRIE: Let's see, is 36 the right
17 number?

18 MR. COOPER: Minus 2 EDO.

19 MR. HANAUER: There's 5 office and overhead on
20 the present basis in there. That's giving them 31 bodies
21 division.

22 COMMISSIONER BRADFORD: You have already cut the
23 11 down to 6.

24 CHAIRMAN HENDRIE: It's a cut of 2 instead of an
25 increase of --

dor 16 1 COMMISSIONER GILINSKY: But, wel. there directed
2 pretty much --

3 MR. GOSSICK: I guess maybe I ought to mention it
4 now. We've got a '78 project which could have some impact
5 here as far ahead as '80 that I'm about to recommend to you
6 that we take another look at.

7 It's the fourth one of those research one, two and
8 three, and four, you know, that we agonized over. It's a
9 modeling work. So on fix sight, 1.8 million dollars, contracts
10 have been, you know, lined up and they sent over to me this
11 package coming down, asking for your approval of the contract.
12 The contractor has been selected.

13 We went back and got everybody together and I
14 find that really NRR won't support it, Standards won't
15 support it. And even Cliff, in light of other things, like
16 his wastemanagement problems and other priority situations
17 where even in '78 or '79 we need the money, he'd a hell of
18 a lot rather spend that money otherwise.

19 I would recommend to you in light of other require-
20 ments that we really ought to reconsider this thing. But
21 it off, not do it now.

22 COMMISSIONER KENNEDY: Who is the contractor?

23 MR. GOSSICK: SAI. It isn't down yet to you, just
24 ready to come forward for approval. And I've asked Cliff to
25 go back and rescrub this thing and Sol and his people, I'm sure,

17 1 will be unhappy about it, but Cliff is not very warm for it
2 and won't get up and really give a whole hearted support.

3 MR. DIRCKS: Very ill defined in talking about
4 providing evaluation criteria of models again for the fuel
5 cycle facilities.

6 MR. BARRY: Part of the action was that there is
7 a parallel effort, obviously not identical, but there is a
8 parallel effort going on at Livermore.

9 COMMISSIONER KENNEDY: That's right. We're paying
10 for it.

11 MR. BARRY: And I think this was an effort to get
12 out of the labs. I think because perhaps they felt that they
13 didn't have as much management prerogative, we, us, at Livermore,
14 as they'd like to have. I know Livermore's an expensive place --

15 COMMISSIONER KENNEDY: But they've also been working
16 on this project for the last year and a half.

17 MR. BARRY: They've been working on it for a long
18 time and I'm not sure there is that much merit to put a
19 million eight into private contracts which is in part, maybe
20 some new thinking but in apart just to get out of the lab.

21 COMMISSIONER KENNEDY: Livermore had developed
22 a whole set of computer codes.--

23 MR. BARRY: Yes.

24 COMMISSIONER KENNEDY: -- in this project. It just
25 got to the point where they were actually running models.

dor 18 1 Sounds rather wild to me. I'd point out something
2 else. As we go gayly around here talking about cutting back
3 to overhead, I'm just noticing that the EDO recommended
4 program, and I'm looking at page 12 of this package, took a
5 reduction of 4 persons in the waste managements area noting
6 "the personnel reduction of 4 relates to the high overhead
7 in SAFER." In high ratio of personnel to dollars are we, you
8 know, we better be careful. We'll wind up cutting these
9 things two or three times.

10 MR. GOSSICK: That's a reduction from their office
11 request to get to the BRG mark. They came in wanting 16.

12 COMMISSIONER KENNEDY: Well that was because of
13 the very point we have just been talking about. We might wind
14 up duplicating our cuts.

15 MR. BARRY: In accounting. I'm the one that came
16 out with this example on this overhead and so on. But we've
17 got a waste management increase in that division, you know,
18 in terms of a substantial amount of money. We're going to go
19 up 8 million bucks and I don't think we want to cut them too
20 hard. I sure wouldn't want to give them any more, but on the
21 other hand I'd be very careful we don't cut them too much at
22 one time because we're dropping 2 in SAFER and only giving him
23 a 3 million increase in waste management with a doubling of
24 program in dollars. And nothing in fuel cycle. No increase
25 in '79 and a little bit in reactor environment -- 1 in reactor

dor 19 1 environment.

2 MR. HANAUER: I just did an exercise with your 36.
3 You don't have a blackboard in this room do you? I did
4 something that added up to 36 and these are real bodies. Of
5 this overhead, I suppose, there is still 5. Division overhead
6 is 4, division director, deputy to secretaries. Then I
7 divided up their remaining 27 people in accordance with the
8 26 odd million dollars. Waste I gave 10, real bodies 2.
9 And the EDO mark is is 12, but 2 of them are over it, at least
10 two of them are overhead. Fuel I gave 5 for 5 million. The
11 EDO mark is 7. Reactor environmental I gave 6 for 5.8 million.
12 The EDO mark is 8.

13 Safeguards I gave 6 for 5.9 million. The EDO
14 mark is 11. So I took them out of safeguards. And I took
15 the division overhead out. Much smaller division overhead
16 out explicitly.

17 Now, that's sort of what you are doing to them
18 if you mark them at 36. If you mark them at 38 --

19 CHAIRMAN HENDRIE: It sounds good to me.

20 MR. HANAUER: I'll stop. If you want to mark them
21 at 38 I'd put one more in waste because they have such a
22 big new program and I'd give the division director 1 guy to
23 work with since I took all his AD's and stuff away. But that's
24 all just off the top of the head.

25 COMMISSIONER BRADFORD: You have 36 for the same

dor 20 1 number of dollars?

2 MR. HANAUER: 36 for the -- number of dollars by
3 rapid calculation is 27.1 is the number of dollars in the
4 EDO mark for those four decision units. And that's 27 workers
5 which is quite generous, although it's not their request.
6 That's 27 workers and 9 overhead, 4 in the division 5 in the
7 officer: Which is 30 percent, 33 percent. Which is not all
8 that bad.

9 COMMISSIONER BRADFORD: But it's still leaves that
10 division with a workers to dollar ratio of about two thirds
11 out of three thirds.

12 MR. HANAUER: You could do it net or gross. There
13 are 27 workers including branch chiefs. If you gross it it's
14 36 over 27. It's 1.3 workers per million, whereas research
15 overall is just about 1. And that recognizes the larger
16 number of smaller products in the big growth in Waste
17 management.

18 But, of course, that's nothing like what they've
19 got now. What they've asked for is 51 people for a little
20 more money. They asked for some more money, a couple of
21 million here and there. They've asked for about 31 million
22 instead of 27 and 51 people.

23 COMMISSIONER BRADFORD: But nobody is talking about
24 51.

25 MR. HANAUER: No, that's their original request.

dor 21 1

MR. DIRCKS: It's 38 versus 36.

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6

MR. HANAUER: They're now asking for a total of 44 of whom 5 are office overhead and that leaves them 39 bodies -- I'm sorry. They're asking for 44 of which 5 are office overhead. That leaves them 39 live bodies in the division.

7

CHAIRMAN HENDRIE: That's their request?

8

MR. HANAUER: That's their request.

9

MR. DIRCKS: Okay.

10

MR. HANAUER: The 38 was something else.

11

12

COMMISSIONER BRADFORD: That 1.3 to 1 understates it a little bit. I mean the 1 includes the 1.3.

13

MR. HANAUER: I'm sorry?

14

COMMISSIONER BRADFORD: Talking about men to dollars.

15

16

MR. HANAUER: Total of 1.3 people including overhead which weren't real bodies.

17

COMMISSIONER BRADFORD: Right.

18

19

MR. HANAUER: If you talk about real bodies then this is --

20

21

COMMISSIONER BRADFORD: To carry through, you were comparing the figure for 1.0 for the whole --

22

MR. HANAUER: But that also has overheads in it.

23

24

COMMISSIONER BRADFORD: But it's also based part on the numbers that make up 1.3. If you really wanted to

25

compare you would do something that gave you comparative taking

dor 22 1 say against the rest.

2 MR. HANAUER: There's Murley's people and Buhl's
3 people and these people. I was looking at them in one big
4 bunch which includes these of course.

5 I don't know if I can show my face in Silver Spring
6 or not.

7 MR. GOSSICK: I guess my recommendation would be --
8 not trying to reorganize him right here and now. There are
9 practical problems like make AD's branch chiefs, or branch
10 chiefs workers, you are going to subject yourself to grievances
11 and all that sort of thing, and it's painful.

12 And you've got super grade positions that are no
13 longer super grade positions. But I think whatever level for
14 the combined division that the Commission comes down on
15 just ought to be staked out and a general charge to get busy
16 trying to cut down the overhead.

17 COMMISSIONER BRADFORD: I agree with that, all I
18 was sort of fumbling towards is that even at 36 --

19 CHAIRMAN HENDRIE: It ain't any glowing example of
20 effective management.

21 COMMISSIONER BRADFORD: Right. Or at least if the
22 rest of research is about right, this one is still --

23 MR. HANAUER: Well, the rest of research is
24 managing. The 41 million bucks for LOFT that you see and
25 in great big chunks which can be done somewhat more economically.

dor 23

1 COMMISSIONER KENNEDY: You've got a project manager
2 sitting there right out on the project.

3 CHAIRMAN HENDRIE: There are certain economies of
4 scale.

5 COMMISSIONER BRADFORD: Why is risk assessment
6 so much more man intensive than anything else?

7 MR. HANAUER: They are actually doing work in the
8 house. They have actual contributors. They do short term
9 risk assessment. They do what you might call institutional
10 research.

11 They help out the other divisions by looking into
12 risk questions and they do a fair amount of that in the
13 house, which changes the ratio drastically.

14 MR. DIRCKS: And they are doing work too for the
15 offices, the other offices.

16 CHAIRMAN HENDRIE: In risk assessment, unlike all
17 the other branches and research, the work that they do with
18 their own hands and heads in the essential work of the office
19 and the support money is sort of like technical assistance to
20 a licensing review. Whereas in the other research branches
21 it's the contract dollars that get the research done and the
22 people are overseeing contracts. It's rather a different
23 sort of an operation.

24 Question: If we ask the division to maintain it's
25 '79 assigned strength at 36, carry out it's responsibilities

dor 24 1 and suggest that there are too damn many chiefs and not enough
2 indians, and that it also appears to us as though safeguards
3 maybe a little more extensively manned than is justified,
4 should we -- that would seem to me to be a reasonable prescrip-
5 tion for people.

6 With regard to dollars, do you want to maintain
7 those dollar levels? The office came in for -- they are
8 running about 3 million bucks with the waste management in
9 '79. They're in for 10.4, and essentially got it from the
10 budget review group. Can they place and get effective -- can
11 they triple the program without just -- you know, up in NMSS
12 we're making things where there are substantial increases,
13 but this is really a whomper here.

14 MR. HANAUER: There is some question. The picture
15 is distorted by the fact that they're having trouble getting
16 their money out. Which means they can really spend rather
17 more in '79 because they have hangover money.

18 CHAIRMAN HENDRIE: I hope so because according to
19 the docketing here, they have got 4 million 3 in change in this
20 year, and 3 million next. So it looks like there's going to
21 be a big move forward.

22 But I wonder even at that whether 10 may not be
23 just sort of beyond reasonable contracting authority in terms
24 of being able to get the work laid out, brought up. You know,
25 I'm anxious to keep the waste management area well oiled, but

dor 25 1 I don't want it to drown in the petroleum either.

2 MR. HANAUER: We gave them a fair number of
3 people to go with that. There is some question whether they can
4 wrap it up that fast, that's correct.

5 CHAIRMAN HENDRIE: I'm just wondering whether one
6 could draw a million or two down on 10.4 without in fact
7 doing one bit of violence to any practical real program or
8 research?

9 MR. HANAUER: They envision a very ambitious program
10 with several quite large contracts whose exact size you really
11 can't predict this far in advance. It seems like a reasonable
12 prediction. This was the place where the agency seemed to
13 fall shortest at the present time and in '79 --

14 COMMISSIONER KENNEDY: Contracts of a million dollars
15 and up class.

16 MR. HANAUER: Yes.

17 Livermore wants to spend 5 million in just tech
18 assistance to NMSS and some of that smells like research.

19 CHAIRMAN HENDRIE: The capacity of laboratories to
20 devise project upon which money might be expended is --

21 COMMISSIONER KENNEDY: Is limitless.

22 CHAIRMAN HENDRIE: I wouldn't say limitless.

23 COMMISSIONER KENNEDY: Of course it's limitless.

24 We've already seen that.

25 CHAIRMAN HENDRIE: It's large enough to be beyond

dor 26 1 any practical use, that's for sure.

2 MR. BARRY: I think the Chairman has got a good
3 point. In '78 in research you've got a 128 million in program
4 support money, laboratory, and et cetera. We are going to
5 carry forward in '79 work that has not been done, 31 million
6 more. That's 24 percent.

7 Of the 24 percent of the money we said we needed
8 to obligate in '78. In theory, for most of it to be done in
9 '78, 24 percent, that's going to be pushed into '79 before the
10 works is going to get done.

11 MR. HANAUER: Is it undone or is the bill just not
12 received?

13 MR. BARRY: I would say most of that's costed, I
14 would say most of it probably has not been completed. There
15 will be some, that is just billing.

16 MR. HANAUER: Labs are behind what, some fraction.
17 A month is 10 percent right there.

18 MR. BARRY: See, I get behind in the year coming
19 in too. So it kind of balances itself out.

20 COMMISSIONER KENNEDY: I would like to suggest a
21 good hard scrub of the stuff. How much is the total over in
22 NMSS?

23 MR. BARRY: In waste management?

24 MR. DIRCKS: 6 5. In high level waste management

25 6 5.

dor 27 1 COMMISSIONER KENNEDY: We are talking about 17 20
2 million dollars.

3 MR. HANAUER: With the agency it's near 30.

4 MR. GOSSICK: The agency is 19.1 million dollars.

5 MR. HANAUER: For which year?

6 MR. GOSSICK: '81.

7 MR. BARRY: And NMSS is 7 million.

8 COMMISSIONER KENNEDY: Okay. So it seems to me
9 between the 7 million in NMSS --

10 MR. BARRY: 10 6.

11 COMMISSIONER KENNEDY: In 10 and a half here, that
12 there probably is some that could be cut back and some of
13 that stuff that's over in NMSS rolled over into research.
14 And you'd come up with probably a more manageable program.

15 CHAIRMAN HENDRIE: Well, I'll tell you, I don't
16 want to founder on it right now why don't we --

17 COMMISSIONER KENNEDY: That's something they can
18 go back and take a scrub at.

19 CHAIRMAN HENDRIE: For myself, why don't we hold
20 36 people in the EDO dollars and sort of keep in mind that as
21 we get on down to the end of this exercise we're going to
22 examine total dollars and I'm sure we're going to find we're
23 pretty appalled at what the total dollars are, and I'm going
24 to ask you to keep an asterisk on this category on the 10 4
25 in waste from the standpoint that I just wonder whether they

dor 28 1 can use it effectively. If they can well I'll be glad too
2 support it, but I have a notion maybe they can't use it
3 effectively and if we're going to take a dim view to all the
4 safeguard activity I wonder if there isn't -- it's hard to
5 tell what the ripple forward of some of these things is.

6 MR. GOSSICK: The one that I talked about, as I
7 recall, is about a year and a half effort and is totally
8 funded in this contract so there isn't any direct --

9 COMMISSIONER KENNEDY: It's not in here?

10 MR. GOSSICK: No, it would represent a reduction
11 of '78 expenditures which we would have use for reprogramming
12 somewhere else.

13 CHAIRMAN HENDRIE: There might be a million dollars
14 vulnerable in safeguards. How does that sound to you as
15 a prescription for moving ahead?

16 COMMISSIONER KENNEDY: Fine.

17 COMMISSIONER BRADFORD: Okay.

18 CHAIRMAN HENDRIE: What would the dollar total
19 be in there, can you give me that?

20 MR. BARRY: In safeguard?

21 MR. HANAUER: The mark is 27 1 roughly. The EDO
22 mark. That's the four SAFER Division lines.

23 CHAIRMAN HENDRIE: Okay. Let's march up the line
24 or down the line.

25 MR. DIRCKS: Up.

dor 29 1

CHAIRMAN HENDRIE: Since Vic has left us, could we go to the top of the page. I find it distressing, this climbing up hill. Look how slowly it goes.

(Laughter.)

If we could go back up and start at systems engineering, I notice that the EDO mark is in fact trimmed off slightly from the '79 Presidential and well down from the office request. It looks reasonable to me.

Let's see, there's been an addition of 2 people in there.

MR. DIRCKS: Some set asides.

COMMISSIONER KENNEDY: Why is that when the 22 people were able to handle the 33 million, why does it take 2 more people to handle 31 million?

MR. DIRCKS: There are some set asides.

MR. HANAUER: There are some set asides.

CHAIRMAN HENDRIE: They are not in here.

COMMISSIONER KENNEDY: I'm just looking at the numbers that are on here.

CHAIRMAN HENDRIE: The contracting dollars are down a smidge, a few percent and the people are going up. Is there a particular --

COMMISSIONER KENNEDY: There is a 5 percent reduction in the contract dollars and 10 percent increase in personnel.

MR. HANAUER: Where we cut the contract dollars was

dor 30 1 in technical support which don't take much in the way of
2 people. And some of the other areas went up.

3 We cut tech support very heavily. We cut it roughly
4 in half. We took the millions out of technical support
5 mostly, and out of blow down and reflood heat transfer, we
6 cut that way back.

7 MR. GOSSICK: The question is how come we gave them
8 2 more people.

9 MR. HANAUER: I'm sorry, I draw a blank. My notes
10 don't say.

11 COMMISSIONER KENNEDY: Why don't we just not --

12 MR. BARRY: Steve, even the dollars in total have
13 gone down. That's net. Have we got anything going more
14 in simerscale(?) or PBF?

Summer
15 MR. HANAUER: PBF is fuel, that's another story.

16 In simerscale, I think we gave them two more for
17 3D which was all over the world in 1980?

18 MR. GOSSICK: Yes, I think I recall that conversation.

19 CHAIRMAN HENDRIE: The 3D, ah, yes. Okay. Two more
20 for 3D which is around the world in 80 days.

21 COMMISSIONER KENNEDY: All right.

22 MR. HANAUER: And there was one other thing that
23 I can't crank up.

24 CHAIRMAN HENDRIE: Now that I understand where the
25 2 people increase came, the EDO mark seems to me to be people

1 and dollars reasonable enough on the base program, but now
2 we have to look at the set aside items which were to be
3 considered.

4 COMMISSIONER BRADFORD: Steve, do you know how
5 many projects are directly involved?

6 MR. HANAUER: I don't have a number, no sir, I
7 don't. General systems engineering are quite large projects.

8 CHAIRMAN HENDRIE: If I can summarize the set
9 asides against systems engineering, the increment comes in
10 a couple of pieces.

11 One piece we have already approved and that's the
12 approved safety systems part. That's an additional person
13 and 2 million dollars.

14 Then there are two other set asides which in my
15 view have merit and should be approved, cheap as I am. One
16 of them is 3 million dollars because we underestimated the
17 3D part, you know this -- in the base dollars there's 10
18 million for 3D and it turns out -- no, it's 13 -- so the
19 set aside is 3 more. I think I think we'd better put it in
20 and save the program.

21 The other part is 3 million 4 for the cooperative
22 NRC EPRI/GE countercurrent flooding in BWR's. And I'd
23 recommend that we go with those. I think those are high value
24 type programs.

25 MR. HANAUER: You have no commission papers on those

dor 32 1 set asides. You have SECY78/409 on 3D and Secy78/408 on the
2 BWR program dated July 26.

3 CHAIRMAN HENDRIE: Yes. I've seen one of them and
4 Okay. If I add these things in then I am going to come to
5 a grant total of 26 people and I add 8.5 in dollars and that
6 takes me to 39 9 60. It sounds like the price of a garment
7 at the kind of place where I buy garments.

8 (Laughter.)

9 COMMISSIONER BRADFORD: I would like to read this
10 one. I would like to read two of them actually. In the BWR
11 ECCS cooperative research program, read the information before
12 jumping into it here and never see it again.

13 CHAIRMAN HENDRIE: Well, you can see it again in
14 the sense of the paper that is, these papers have come to
15 the Commission so that there has not been time for them to be
16 -- in fact I don't remember seeing the BWR. Although I did
17 see the other one, no it's in the office, but the assistants
18 are chewing on it, and I was going ahead on the basis that
19 I thought the program seemed meritorious, and I thought I
20 would review the paper when we get it. And you know if we find
21 something sour there, why you can always go around the
22 rectify the thing.

23 But for myself, I was going to stumble --

24 COMMISSIONER BRADFORD: Is there any problem if I
25 just take the weekend and go through these?

dor 33 1

CHAIRMAN HENDRIE: I wouldn't think so.

2

I would comment that these, both the 3D which is the larger one, and BWR one, are programs where we get -- as to the other participants we get a very large leverage on our -- on the government investment in terms of the data and the understanding of these things that comes into hand. And particularly on the 3D side, you are really getting enormous leverage in terms of, you know, you are pulling in the Japanese and the Germans and literally the world community of experts in the program in lieu of what conceivably under other circumstances could have turned out to be a great big whomping US full scale, my God --

13

COMMISSIONER BRADFORD: I understand.

14

CHAIRMAN HENDRIE: -- sum involved.

15

COMMISSIONER KENNEDY: The existence of these programs and their likely future and production are what lead the community to conclude that we don't need to go to a new improved much larger LOFT type exercise.

19

CHAIRMAN HENDRIE: We can take a reading off this one on Monday.

21

Let's see, I assume that you would all join me in failing to shed a tear over there being no funding for MTF.

23

COMMISSIONER KENNEDY: It is a smile you see.

24

MR. GOSSICK: A sigh of relief.

25

CHAIRMAN HENDRIE: Now on LOFT the dollars have had

dor 34 1 to go up substantially in order to take on, what is it? Another
2 17 something million bucks worth of operation, and we now
3 own it totally. Lack of spares and all. Now what shall we
4 do about the spare set aside?

5 MR. GOSSICK: Len says he can handle it.

6 MR. BARRY: We have to buy a reasonable amount of
7 spares.

8 CHAIRMAN HENDRIE: Why do the research people
9 don't think you can't handle it? What's the problem?

10 MR. BARRY: Because they'd rather take the money
11 that I would reprogram from research for other purposes. The
12 first question -- here's what we have to face. They go to
13 Doug Buhl and Doug says okay you ask for some money in '80,
14 I'm going to help you, I'll give you some money. But he's
15 going to say, I know you've got to buy some spares for '79
16 because you have to have them to use in '80, these special
17 spares, additional spares. I know you have 3.6 million in
18 .79 MTF and you are not going to go MTF. What are you going
19 to do with that money? Can't you use a little of that to
20 help yourself?

21 CHAIRMAN HENDRIE: Let me guess, we're going to
22 refurbish the Commission offices.

23 (Laughter.)

24 We're going to build a 12th floor on 1717 H with
25 high ceilings and panels, right? Didn't make an impression.

dor 35 1

COMMISSIONER KENNEDY: Well.

2

CHAIRMAN HENDRIE: Okay. Let us be the sense of

3

the Commission that we don't want the confounded LOFT, you know,

4

all half million odd dollars of program now finally beginning

5

to produce to lose two minutes on account of not having a

6

spare. But we will scratch the 1.8 set aside on the assurance

7

of the Comptroller that he can beg, borrow, steal, or if

8

necessary go after a bank to produce the --

9

MR. BARRY: It was interesting in our review,

10

they came in for 44 million dollars for LOFT before spares.

11

CHAIRMAN HENDRIE: Don't explain it to me. We've

12

got it all fixed here. Good.

13

Now what about, they've got 10 people in that shop

14

now, they want to go to 11.

15

MR. GOSSICK: I had their request --

16

COMMISSIONER KENNEDY: They want to go to 13.

17

MR. GOSSICK: They came in an reclama'd to me,

18

wanted 1 guy. What they are arguing for is by 1980 when we

19

take full responsibility out there, I mean full operation of

20

LOFT, they are afraid that some of the care and feeding

21

program that is now exercised by DOE, that is their field

22

office is going to disappear, they are not going to get

23

nearly as excited because we've got the responsibility and I

24

agreed that they probably need 1 man out there at Idaho Falls.

25

This is the guy that would go to Idaho Falls.

dor 36 1

2 COMMISSIONER BRADFORD: What in the world is the
3 3,000 dollars?

4 MR. GOSSICK: I was just about to ask Len. 3,000
5 dollars, what did I add 3,000 dollars for?

6 MR. HANOUER: 3,000 or 3 million?

7 (Simultaneous discussion)

8 MR. HAN UER: Oh, you gave them another man
9 that adds up a little more travel.

10 MR. GOSSICK: I'm not doing it elsewhere though.

11 COMMISSIONER KENNEDY: You did it in Primary
12 Systems --

13 MR. GOSSICK: I didn't, the other program we haven't
14 added any money for travel.

15 CHAIRMAN HENDRIE: Peter, it's a long way from the
16 site to Idaho Falls. We're going to pay half of a car for
17 the guy.

18 MR. BARRY: It's to move that guy out there. It's
19 permanent change of station and travel.

20 COMMISSIONER KENNEDY: 3,000 dollars? That isn't
21 enough.

22 MR. HANAUER: That's all he gets.

23 MR. GOSSIICK: He doesn't have very much.

24 (Laughter.)

25 COMMISSIONER KENNEDY: He must not.

MR. BARRY: That's what it's for.

dor 37 1

MR. GOSSICK: I think it's a computer goof.

2

CHAIRMAN HENDRIE: May we instruct you to decide the merits of the 3,000?

4

MR. BARRY: We'll do a little research on it.

5

CHAIRMAN HENDRIE: I'll vote for the guy at Idaho, we've got too much hardware on it --

7

COMMISSIONER KENNEDY: That's fine but with the understanding that if, you know, at that point it's not necessary we are not going to send the guy out there, obviously.

10

CHAIRMAN HENDRIE: Now do you want me to put down 225 or 228?

12

COMMISSIONER KENNEDY: 225.

13

CHAIRMAN HENDRIE: I would think so.

14

Code development. There is a half million improved safety system increment which we have already agreed to, but the Comptroller will eventually show this under a separate line with the understanding of putting dollars into these categories, why I then have, I would assume, 10 and 9625 in fuel behavior --

20

MR. GOSSICK: Here is where they kind of pulled a Washington monument trick on this thing. BRG reduction, they said, would only be accomplished by really wacking back on PBF and -- Steve, why don't you give your view on why it isn't necessary?

24

25

MR. HANAUER: This is controversial. In kind of a

dor 38 1 technical way they've got a very ailing fuel behavior program.
2 We nipped at it last year and didn't dent it. And a number
3 of us felt this year that it was time to take a very strong
4 chunk out of it.

5 It's all technically very nice, we don't think some
6 of it is needed by the agency and so we took a big swipe
7 at it.

8 Obviously the fuel people in research are very
9 hurt over this and they feel that it is all worth while in
10 the agency.

11 They have sold this point of view to some of
12 the fuel reactor people in NRR and NRR has been busy trying
13 to develop an office position that I am assured informally
14 that they now support the EDO mark, but I really can't
15 certify this.

16 The difference is in the following respect: The
17 fuel research program seems to be aimed at getting a
18 derivation from first principals as to how fuel behaves under
19 normal conditions and accidents. A lot of people -- it's not
20 my field exactly although I can work in it -- a lot of people
21 feel, A. that that may not be possible and, B. that it is
22 even if possible, not necessary. That some more pragmatic
23 description of how fuel behaves can be lived with as far as
24 the agency licensing requirements are concerned.

25 Nobody disputes the technical merits of what they

mml
1 are doing. The dispute is over whether the agency needs it.

2 On the one hand they say, correctly, that gee, if a
3 new phenomenon comes along and we don't understand it in a
4 fundamental way, then we'll have to do it over again.

5 And on the other hand, one says that's a very broad
6 and difficult objective which seems objective to the agency.

7 This has been going on at a very high expenditure
8 rate for a number of years, and is in research, predicted to
9 go on at a very high rate of expenditure for a lot more years.

10 Their original request was 30 million in '80, the
11 27 million in '81, and 26 million in '82, with no end in
12 sight. And we cut it back rather drastically.

13 COMMISSIONER KENNEDY: Well the present, the '79
14 level is about 25 million.

15 MR. HANAUER: Yes.

16 COMMISSIONER KENNEDY: The EDO mark for 1980 is
17 about 25 million. That is a level program at a very high level.

18 MR. HANAUER: Yes, sir.

19 COMMISSIONER KENNEDY: And it seems to me that
20 will take care of PBF, wouldn't it?

21 MR. HANAUER: It will take care of it. It will take
22 care of PBF if you cut back the things we think ought to be cut
23 back.

24 COMMISSIONER KENNEDY: Tell them we expect if PBF
25 continues --

mm2

1 MR. HANAUER: Yes. Now, it may be that one or two
2 tests in PBF are also some that we could do without.

3 But in general, we want PBF and NRU, which is the
4 part that was going to be advanced PBF but turned out to be
5 cheaper somewhere else, we want those to go pretty much full
6 steam. And we want some of the frills cut back.

7 COMMISSIONER KENNEDY: Sounds reasonable to me.

8 CHAIRMAN HENDRIE: Steve, why was their view that the
9 EDO mark is a million six below '79?

10 MR.HANAUER: I can't tell you. It may be that they --
11 you see, they have reprogrammed money into this right along.
12 And their present rate is not 25 2, that's the President's
13 budget. They've put some more into it.

14 CHAIRMAN HENDRIE: Apparently. Yes.

15 MR.HANAUER: They've got 26 4 in '78. They repro-
16 grammed some money into it in '78.

17 MR. COOPER: A million six would also have to be
18 the inflation that would apply to the '79 level. So what they
19 might be saying is they are beating inflation.

20 CHAIRMAN HENDRIE: Maybe that's what is meant.

21 MR. HANAUER: I don't always dissect office reclama
22 explanations.

23 MR. BARRY: There is a pretty good chart -- you
24 have it -- that shows you how they visualize where the problem
25 is. Evidently, at the 23 5 level, they say they can do the

mm3

1 fuel codes a little bit less than the '79. But what do you
2 do about hauling and MRBT and fuel melt? You know, stuffing
3 it all in the 2.5.

4 CHAIRMAN HENDRIE: Steve, did you discuss with them
5 what is now a projected slide which says, fuel behavior
6 program tailing down?

7 MR. HANAUER: No, sir. That was new to me when they
8 presented it yesterday.

9 They gave us a very early look at this picking and
10 tailing down for loss of coolant accidents, with which I fully
11 agree. But they had not made numbers and curves to the level
12 of detail you saw yesterday when we talked with them.

13 I think that is a very forwardlooking thing for them
14 to do.

15 CHAIRMAN HENDRIE: Okay. Now at the EDO mark are
16 we sure we are not strangling -- we are certainly not strangling
17 at 25 million bucks. I don't know whether to throw a couple --
18 a few hundred K in there, or just take the EDO mark.

19 What is your pleasure?

20 COMMISSIONER KENNEDY: I'd take the EDO mark.

21 CHAIRMAN HENDRIE: Peter?

22 COMMISSIONER BRADFORD: Yes, I'd take EDO.

23 CHAIRMAN HENDRIE: Okay, EDO. We then are at
24 11 and 25028, a number of marvelous precision.

25 (Laughter.)

mm
1 Okay, now we advance to primary system integrity.

2 COMMISSIONER KENNEDY: We have all these 8s in this
3 column. Did the computer just go kicking over to 8 automatically?

4 MR. HANAUER: It is its favorite digit.

5 (Laughter.)

6 COMMISSIONER KENNEDY: Look at all the 8s.

7 CHAIRMAN HENDRIE: It likes to make 8s.

8 COMMISSIONER BRADFORD: Every time we put down a 3
9 we get an 8.

10 (Laughter.)

11 CHAIRMAN HENDRIE: Primary system integrity. 11
12 people is where they are. 10 7 is up a little bit, but nowhere
13 near the office request.

14 COMMISSIONER KENNEDY: Why did you add the 1 back.

15 CHAIRMAN HENDRIE: Here is another \$3000.

16 MR. GOSSICK: This was based -- and the BRG agreed
17 in considering that this was probably one of the more well-
18 organized and hardworking groups that was shorthanded.

19 Is that the view that you had generally?

20 MR. HANAUER: Yes, it was.

21 Furthermore, they have some new work and some new
22 requests. The steam generator thing and some nondestructive
23 testing which was not foreseen.

24 This program was supposed to rev down this year,
25 but there have been some primary system problems. (Inaudible)

mm
1 is shutdown now with a big leak in the primary system, and it
2 looks as though more research may be needed.

3 We were kind of generous with them.

4 CHAIRMAN HENDRIE: Is the metallurgical stuff coming
5 out of this branch, metallurgical research stuff applicable to
6 nozzle cracks?

7 MR.HANAUER: Yes, yes, that's in here.

8 CHAIRMAN HENDRIE: All right.

9 MR.HANAUER: Why I hesitated, there is some metallurgy
10 in fuel performance, also.

11 CHAIRMAN HENDRIE: Now what do you want to do about
12 the steam generator autopsy setaside of a half million bucks.

13 MR.HANAUER: There is some rather interesting sleight
14 of hand. If you will look at their slide that looks like
15 this on steam generators -- (Indicating.) They ask for
16 \$2 million to fix up a dedicated lab for this steam generator,
17 and we said that we didn't think a dedicated lab was a good
18 idea, but we gave them 900K because they are going to have to
19 buy some test equipment.

20 So now if you will look here you will find 900K in
21 '80 and 1100K in '81, so they just put their dedicated lab in
22 two successive years.

23 (Laughter.)

24 A matter about which, yes, they are going to need a
25 bunch of equipment on that steam generator. And we can fight

mm6

1 about the 1.1 million next year.

2 CHAIRMAN HENDRIE: Should they have the money to buy
3 that generator --

4 MR. HANAUER: To buy what?

5 CHAIRMAN HENDRIE: They are going to get -- who is
6 it, Turkey Point?

7 MR. HANAUER: They are going to get the generator
8 free on board if the various problems can be solved; who owns
9 it, who pays for transportation, who is responsible if it falls
10 over, things like that.

11 But this, presumably, can be worked out.

12 Yes, they ought to have that steam generator. That's
13 a source of degraded tubes to do various kinds of research on,
14 and there are five more for the industry to play with, so we
15 ought to have one.

16 And you'll see a number of proposed tests there.

17 CHAIRMAN HENDRIE: Do you want to add the half
18 million?

19 COMMISSIONER KENNEDY: That's all right with me.

20 CHAIRMAN HENDRIE: I guess I'll go with it. If there
21 is anything that is annoying, it is having those steam generators
22 leak.

23 That takes me to 11225.

24 COMMISSIONER BRADFORD: 11225.

25 CHAIRMAN HENDRIE: Would you prefer 11225?

mm

1 MR. COOPER: 3000 happens to about when, Lee adds
2 a person the Comptroller adds \$3000 for his travel. That is
3 all it is.

4 It really should have been shown in both figures.

5 COMMISSIONER KENNEDY: Would you mind figuring out
6 a way to do that in some other way?

7 (Laughter.)

8 MR. HANAUER: You are never satisfied.

9 (Laughter.)

10 COMMISSIONER KENNEDY: \$185 million, they add a
11 guy so they add \$3000.

12 CHAIRMAN HENDRIE: How about 11225, just to show that
13 we are really controlling this budget. Okay?

14 Now, let's see, the next item is site technology
15 and engineering. Here is where I trust we get a little seismic
16 research to help us with the assorted problems we have got
17 there.

18 COMMISSIONER KENNEDY: How much of this seismic can
19 we rely on somebody else to do, since they do it anyway?

20 CHAIRMAN HENDRIE: They don't fund it, is the problem.
21 If we had put money into USGS --

22 MR. HANAUER: A fair amount of this money goes to
23 USGS, the earth-science kind of money.

24 COMMISSIONER KENNEDY: Why don't we get some sort of
25 cooperative program, for every dollar we put in they put in ten.

mm

1 CHAIRMAN HENDRIE: They won't put in beans. They don't
2 like reactors over there.

3 COMMISSIONER KENNEDY: But they like seismicity.
4 That's as a matter of fact, their business, as I recall.

5 MR. HANAUER: There are seismicity programs, but they
6 are aimed at will San Francisco fall down, kind of programs.
7 This is not high on their list.

8 CHAIRMAN HENDRIE: If they are going to do anything
9 in the areas that we want, then we are going to have to fund
10 it.

11 COMMISSIONER BRADFORD: Why are we -- (Inaudible.)

12 MR. HANAUER: This is a good spread sheet.

13 We looked at this in five subtasks, one of which is
14 very small.

15 The first one is geology and seismology, which goes
16 from 3 1/2 now, 3.8 in '79 --

17 CHAIRMAN HENDRIE: I don't have that.

18 MR. HANAUER: No, you don't, that's why I'm reading
19 all these numbers to you.

20 CHAIRMAN HENDRIE: This comes out of the --

21 MR. HANAUER: Private stock.

22 MR. DIRCKS: It came out of the BRG mode.

23 MR. HANAUER: There are five areas; geology and
24 seismology is going up just for inflation, a little bit more
25 than inflation, because of the continuing need and continuing

mm9

1 user needs that come out.

2 CHAIRMAN HENDRIE: Yes.

3 MR.HANAUER: The next is meteorology and hydrology.
4 We cut it. They have got a tornado program for which there
5 is no research request and no discernible licensing need. We
6 cut it every year, they reprogram it back in every year.

7 COMMISSIONER KENNEDY: I am delighted to hear that
8 you have done it every year, and I assume you did this year?

9 MR.HANAUER: Yes, sir.

10 They programmed it, they are going to finish it if
11 it is the last thing they do.

12 COMMISSIONER KENNEDY: They like wind.

13 MR. HANAUER: They like wind.

14 COMMISSIONER KENNEDY: Even if they can't figure out
15 what to do with it.

16 CHAIRMAN HENDRIE: If you are a storm meteorologist,
17 you will love it.

18 (Laughter.)

19 Of course, there aren't very many storm meteorologists,
20 you understand.

21 COMMISSIONER KENNEDY: I went through this last year
22 in excruciating detail. You know, how many were there. There
23 were 27 \$50,000 projects, as I remember it. Every storm
24 meteorologist in the entire world was on the payroll.

25 (Laughter.)

mm10

1 CHAIRMAN HENDRIE: That's one way to coop the peer
2 group of thinking.

3 MR. HANAUER: They don't give us any trouble.

4 (Laughter.)

5 COMMISSIONER KENNEDY: But if you recall, I had the
6 view that HEW took care of relief programs of that kind.

7 CHAIRMAN HENDRIE: Okay. You have got one at inflation,
8 one down.

9 MR. HANAUER: The next two are the big money,
10 structural and mechanical.

11 Almost a year ago, NRR decided that they were in
12 trouble over seismic design. This is not how the earthquake
13 shakes, but how the building is built. And we have half a
14 dozen plants in various kinds of seismic licensing trouble.

15 So they wrote a big user need, and this is the result.
16 It goes from 1.3 million in '78 to 3.1 in '79. And we've marked
17 them at 4.8 in '80. This is the structural engineering
18 modeling and testing. What happens to a structure when you
19 shake it.

20 There are some other nickels and dimes in here, but
21 this is mostly seismic.

22 CHAIRMAN HENDRIE: Who are the contractors, do you
23 know, Steve?

24 MR. HANAUER: There is a big program at Livermore
25 to do the first year of this and scope out what has to be done

mm 11

1 in the future, presumably with them and others.

2 There is some risk assessment in here, too.

3 CHAIRMAN HENDRIE: That's 1 8 up.

4 MR. HANAUER: I'm working from another piece of paper.
5 Which piece of paper are you reading from?

6 It is 1.3 today, it is 3.1 in '79. They asked for
7 7.2 and we gave them 4.8 in '80.

8 CHAIRMAN HENDRIE: So it is up 1.7?

9 MR. HANAUER: Yes, it is up 50 percent from '79 to
10 '80.

11 CHAIRMAN HENDRIE: Okay.

12 What's the last one?

13 MR. HANAUER: The last one is trivial, it is called
14 siting concepts, so we gave them 100K.

15 CHAIRMAN HENDRIE: So does that add then -- it
16 still doesn't sound like --

17 MR. HANAUER: That's 10.3.

18 CHAIRMAN HENDRIE: Well we've got 12 over here on the
19 EDO mark, and on the BRG mark, that's what I wondered about.

20 COMMISSIONER KENNEDY: Sounds like a bunch of
21 office reclamation. There were some office reclamation. I'm look
22 at the same sheet, over on the right-hand side.

23 MR. HANAUER: I'm sorry, I read the wrong one.

24 We marked the structural and mechanical up to 6.4.

25 From 4.0 to 6.4. It was 11.9 on my sheet. Where 12.1 came from

mml2 1 I cannot tell you. Maybe 3000 bucks were transferred for
2 travel?

3 (Laughter.)

4 So we marked them back up. We cut them and they came
5 back up and pointed out they really needed it. So this seismic
6 thing roughly doubles from '79 to '80.

7 COMMISSIONER KENNEDY: They had 4.8 on your first
8 cut, they came back and wanted 2.4 more.

9 MR. HANAUER: And we gave them --

10 COMMISSIONER KENNEDY: We gave them a million.

11 MR. HANAUER: We gave them what they asked for.

12 COMMISSIONER KENNEDY: That's right.

13 MR. HANAUER: Not quite. We didn't quite give them.
14 They wanted 4.8, we gave them 6.4, and they asked for 7.2.
15 So we gave them a good bit of what they asked for. They had
16 a good story there.

17 We did not give them their big increase in people.
18 It is Larry Shao, and he loves people. They have got 14 now,
19 20 in '79. We gave them 21, which is enough for 12 million
20 bucks.

21 CHAIRMAN HENDRIE: How come this thing shows 15 in
22 '79?

23 MR. HANAUER: Sorry.

24 MR. BARRY: That's the President's budget. They
25 may have reprogrammed.

mm13

1 MR. HANAUER: They may have reprogrammed some people
2 out of there, which would be significant, if true. They
3 reprogrammed some people in after the Presidential budget.

4 This big seismic thing didn't exist at the '79
5 Presidential budget time.

6 CHAIRMAN HENDRIE: They must have programmed them
7 out of somewhere in order to put them in there and I have a
8 little curiosity to know.

9 MR. HANAUER: They have done several reprogrammings
10 over there.

11 They have cut LOFT. That is one reason we didn't
12 give them a big increase in LOFT, is that they cut it on other
13 occasions. Some of these people came from LOFT.

14 MR. DIRCKS: In certain areas they put people in
15 and they use it as a bank, and then later on they redistribute
16 it.

17 COMMISSIONER KENNEDY: Management by fungibility.

18 MR. HANAUER: Let's look at LOFT a minute.

19 CHAIRMAN HENDRIE: I have a slide entitled "Site
20 Technology and Engineering" which says -- it doesn't say
21 anything helpful.

22 MR. BARRY: Steve, what is the disparity in numbers
23 we are talking about?

24 MR. HANAUER: The question is personnel in LOFT.

25 MR. BARRY: Okay. And you are saying their chart

1 says 20 --

2 MR. HANAUER: No.

3 CHAIRMAN HENDRIE: Okay, I found them. Let's go
4 down the '79 people column.

5 MR. HANAUER: Where are you?

6 CHAIRMAN HENDRIE: I'm on a slide of Sol's produced
7 yesterday, his slide No. 3, Research People. And if I put
8 little numbers over the current categories, I have systems
9 engineering 23, LOFT 9, code development 10.

10 MR. HANAUER: Yes. Now we gave them a lot of people
11 for the LOFT in '79, and they took them back out, and this
12 site technology is one place they put them.

13 CHAIRMAN HENDRIE: They put them in fuel behavior.
14 They '1 in fuel behavior.

15 MR. DIRCKS: They also took people out of LOFT and
16 put them in fast breeder.

17 MR. HANAUER: They took to fast breeder in an amazing
18 way.

19 CHAIRMAN HENDRIE: 10 in primary systems, 20 in
20 this place, 15 in the breeder, 4 in advanced converters -- I
21 assume they --

22 COMMISSIONER BRADFORD: Even the breeder doesn't
23 look very built up and that's where it was --

24 MR. HANAUER: The Commission cut them to, I think
25 11, and they put the people back in.

mm15

1 CHAIRMAN HENDRIE: Well, they got the people to put
2 the 20 in from LOFT and -- where else?

3 MR. HANAUER: Fuel behavior. 1 out of code.

4 CHAIRMAN HENDRIE: Okay.

5 MR. HANAUER: You know it was almost a year ago that
6 they did the '79 President's budget. You can expect that kind
7 of --

8 CHAIRMAN HENDRIE: Sure, that's fair enough.

9 COMMISSIONER KENNEDY: Again I look at the disparities.

10 Primary systems integrity has got to handle \$11
11 million with 11 people; site technology and engineering will
12 take \$12 million with twice as many people, 21 men.

13 MR. HANAUER: A growing program, a program with a
14 lot of smaller contracts, and a less efficient program at the
15 moment.

16 CHAIRMAN HENDRIE: How well justified is the additional
17 person in there.

18 MR. HANAUER: Level of effort.

19 COMMISSIONER BRADFORD: What does that mean?

20 MR. HANAUER: That means I can't write down so many
21 people for this project and so many people for that project,
22 but just looked at it in an overall way.

23 COMMISSIONER KENNEDY: I'm going to do what every I
24 have got to do with whatever I have got to do it with.

25 MR. HANAUER: Yes.

mml6 1

It is not the strongest candidate.

2

3

CHAIRMAN HENDRIE: For some reason I have an instinct to lop off one person, and a half million or a million dollars.

4

5

Is it just that I've gotten to a place in the afternoon where I feel loppish?

6

7

8

9

COMMISSIONER BRADFORD: I don't know what to do about the dollars one way or the other. If your instinct is strong enough -- (Inaudible.) -- I'll agree with you on the first one.

10

COMMISSIONER KENNEDY: I will too.

11

CHAIRMAN HENDRIE: What do you think, BRG, Lee?

12

MR. GOSSICK: I'd have to defer to Steve in the BRG.

13

14

COMMISSIONER KENNEDY: They took a million out of it. They took 10 percent out of it to begin with.

15

16

17

18

MR. HANAUER: It is a big new program. We cut a lot out of it. They came back with what seemed like a good story on the dollars. I can't make any real justification for the person, except it seemed right at the time.

19

I won't shed one tear over that one person.

20

21

22

MR. DIRCKS: They asked for 24, we gave them 21. They came back and asked for their 3 back, and we did not give it to them. We kept it at 21.

23

24

MR. GOSSICK: They asked for everything back, didn't they?

25

MR. HANAUER: It wasn't that bad.

mm
1 COMMISSIONER KENNEDY: I think it would make the
2 chart look nice if we had a zero on it. I vote a zero in that
3 column. Let's put 20.

4 CHAIRMAN HENDRIE: Yes.

5 And it seems, as you point out, it is a lot of people
6 versus the dollars, even though we recognize there are some
7 smaller contracts. But there are also some large ones. You were
8 talking about a couple of great big whompers in that seismic
9 structural area.

10 MR. HANAUER: Yes, sir.

11 It is also a fast-growing program, which takes people
12 to scope and keep track of. So I wouldn't mind if they were
13 a little inefficient there.

14 CHAIRMAN HENDRIE: Either that, or had a little
15 less money to spread around.

16 MR. DIRCKS: You know there is sort of an administering
17 ongoing effort. This is defining new areas to get into. So, I
18 think that influenced us.

19 MR. HANAUER: But you can't say 20 or 21 on that basis.

20 MR. DIRCKS: No, you can't. One or two won't make any
21 difference.

22 COMMISSIONER KENNEDY: I want to strike this small
23 blow for efficiency.

24 CHAIRMAN HENDRIE: Do you want to strike a little
25 blow at the dollars, or let it stand.

mm18

1 COMMISSIONER KENNEDY: You could level it off at
2 \$14 million. That wouldn't hurt me.

3 CHAIRMAN HENDRIE: 14? It is 12 now.

4 COMMISSIONER KENNEDY: I'm sorry, I'll get to the
5 other one next. I was on the wrong line.

6 CHAIRMAN HENDRIE: How about 11 5?

7 COMMISSIONER BRADFORD: If we cut from 21 to 20, we
8 get -- (Inaudible.)

9 (Simultaneous discussion.)

10 MR. HANAUER: Oh, yes, that extra 200K I don't
11 understand.

12 CHAIRMAN HENDRIE: You mean it ought to be 11447?

13 MR. HANAUER: That's travel.

14 (Laughter.)

15 Are these total dollars or program support?

16 MR. COOPER: Let me just make it clear. These are
17 total dollars --

18 (Simultaneous discussion)

19 -- and almost invariably the mark is really a whole dollar
20 amount for program support. For example, if you look here you
21 would see 12 million.

22 MR. HANAUER: I hope you see 11 9 because I think that
23 is what we marked them.

24 CHAIRMAN HENDRIE: I just don't know.

25 Steve, if we bump this thing down to 11 6, how about

mm 19

1 that, took approximately half million dollars out of it, have
2 we done great violence to it? What do you think?

3 MR. HANAUER: No, sir.

4 MR. DIRCKS: You might finally stop the tornado work.

5 (Laughter.)

6 COMMISSIONER KENNEDY: No, no. You may stop the
7 seismology, but you will never stop the tornado, no, sir.

8 (Laughter.)

9 CHAIRMAN HENDRIE: I don't know. How about 12?

10 12 even?

11 COMMISSIONER KENNEDY: All right.

12 CHAIRMAN HENDRIE: Or, as Peter says, if we get the
13 3 for travel, 11997.

14 (Laughter.)

15 Breeder reactors -- rather.

16 MR. HANAUER: The next two go together.

17 They are marked --

18 CHAIRMAN HENDRIE: Why do we separate them on
19 decision units?

20 MR. HANAUER: Because you got into so much trouble
21 down on the Hill over gas cooled reactors, and you want to show
22 it.

23 CHAIRMAN HENDRIE: I see. Yes.

24 COMMISSIONER BRADFORD: Did I understand you right a
25 minute ago, Steve, that the breeder, that our breeder person

mm 20
1 number the last time around was 11?

2 MR. HANAUER: That's the number I recall, but it is a
3 long time ago, and I don't know -- do you have that number,
4 Len? Presidential budget for the breeder last time around?

5 CHAIRMAN HENDRIE: For '79? Or '78?

6 This is it, 15.

7 COMMISSIONER BRADFORD: It says 15.

8 MR. HANAUER: Wait a minute, I don't --

9 MR. DIRCKS: That's also their current estimate.
10 There is something funny about that.

11 They went in with a much lower number because we
12 knew they took people out of LOFT and put them in their fast
13 breeding unit. They were covering.

14 MR. HANAUER: I don't know how much. The only way
15 to mark this is to put a number on the chart. You don't know
16 what, in 1980, these people are going to be doing, what the
17 country is going to be doing. You want to maintain a viable
18 program.

19 The office made a pitch to us that this wasn't
20 enough money and people, but we marked it to this level and
21 they didn't reclama.

22 COMMISSIONER KENNEDY: It also involves NASAP work.

23 MR. HANAUER: Well, is there going to be any real
24 NASAP work in '80, or is this a follow on? NASAP is going to
25 tell us what these guys are doing in '80, but whatever NASAP

mm 1 says will be what they are working on. They will do this kind
2 of experiment instead of that kind of experiment.

3 CHAIRMAN HENDRIE: I guess I would go with the EDO/
4 BRG mark.

5 COMMISSIONER KENNEDY: I would still like to know
6 what happened to that 11. Because it seems to me the logic
7 you just articulated would have been exactly the logic we would
8 have gone on a year ago and it would count to 11 men. So that I
9 am not sure how we come up to 15 now.

10 MR. HANAUER: The BRG sort of gave up on this and
11 decided, whatever they were doing with people's permission, was
12 what we'd let them keep on doing. There is no way to put any
13 logic to this until the national program gets straightened out.

14 MR. DIRCKS: Well they had a story in fast breeder,
15 didn't they, and we had them mark their lowest level to keep
16 certain facilities going.

17 MR. HANAUER: No, we marked them down.

18 MR. DIRCKS: But they said, if you go below this we
19 are going to close down this facility, and mothball this facility.

20 MR. HANAUER: We said fine, mark them down some.

21 CHAIRMAN HENDRIE: My impression was that it got a
22 little deep in essential -- you sort of were down there into
23 essential tendons.

24 MR. HANAUER: Well, we didn't feel it was essential
25 obviously, since we marked them down.

mm22
1 They decided they had to shut down some aerosol work,
2 and aerosol work has been going on sort of forever, and seemed
3 to be a nice thing to shut down.

4 COMMISSIONER BRADFORD: Is that at the 15 level, or is
5 that at the 11 level?

6 MR. HANAUER: That's at the 15 level. We marked them
7 to 15.

8 MR. DIRCKS: This year we marked it 15.

9 MR. HANAUER: Yes.

10 COMMISSIONER BRADFORD: But that's also what they
11 requested.

12 CHAIRMAN HENDRIE: They have gotten it now. It is
13 just flat across.

14 MR. HANAUER: The point on that, if I can reconstruct
15 it, here are 15 of that kind of people. They are working along
16 for several years. They were cut last year, if my memory is
17 correct. And either the Commission, or the office with the
18 Commission's acquiescence, restored them to that level.

19 We decided not to play that game this year.

20 MR. DIRCKS: I remember Murley coming in and saying --

21 COMMISSIONER KENNEDY: It is interesting that 11 and
22 4 would make 15.

23 MR. HANAUER: Yes, it is. You know, you can decide 11,
24 12, 20.

25 COMMISSIONER KENNEDY: Is that possibly what happened?

mm23

1 You take stripping out the 4 to separate it. Having done it, they
2 just simply added 4 back?

3 MR. HANAUER: No, sir. There have been two separate
4 units on that for quite a long time.

5 COMMISSIONER KENNEDY: Did we have it last year?

6 MR. HANAUER: Yes, sir, and there was a lot of activity
7 over those 4, if you recall.

8 COMMISSIONER KENNEDY: Yes, I remember that. Lots
9 of discussion about that.

10 MR. COOPER: We slashed last year.

11 COMMISSIONER KENNEDY: But I didn't remember it being
12 a separate --

13 MR. HANAUER: Yes, it was.

14 MR. BARRY: The only difference between '79 and '80
15 in terms of definition of the program was 6 percent inflation.
16 That's the only difference.

17 MR. HANAUER: We didn't give them their inflation.

18 MR. BARRY: Yes, we did.

19 Yes, last year in program support, which is really
20 the guts of the thing, was 12 6. It is now 13 5. 6 percent
21 inflation.

22 MR. HANAUER: Right. Plus a half million dollars --

23 COMMISSIONER BRADFORD: What was the FY'79 Commission
24 budget number of people?

25 MR. BARRY: I beg your pardon? I didn't hear you.

mm24

1 People?

2 MR. DIRCKS: Advanced reactors.--

3 CHAIRMAN HENDRIE: Presumably the 15 and 4 shown
4 here, because I presume that is where it was taken from.

5 COMMISSIONER BRADFORD: Where does Steve's number
6 11 come from?

7 MR. HANAUER: It may just be an aberration, or the
8 BRG may have cut it and the EDO may have restored it.

9 MR. GOSSICK: Last year you mean?

10 MR. HANAUER: Yes. I can no longer recall.

11 MR. BARRY: We never went that low. In fact, I
12 believe last year the Commission actually approved 14 5 and OMB
13 cut it down to --

14 COMMISSIONER KENNEDY: He is talking about people.

15 MR. DIRCKS: BRG took a whack at fast breeder last
16 year, and Sol made a pitch down here, I think.

17 COMMISSIONER KENNEDY: We restored some right here.

18 MR. BARRY: You restored it.

19 CHAIRMAN HENDRIE: If the 11 is not a trick of memory,
20 why it probably represents the minimum. As the BRG whacked and
21 they climbed back up. By the time it got to the Commission and
22 Presidential budget --

23 COMMISSIONER BRADFORD: Fine. I didn't want us to
24 have approved 11 here for that number last year, and now having
25 gone to 15 --

mm25

1 CHAIRMAN HENDRIE: Without knowing it at any rate.

2 MR. DIRCKS: Murley said he got a cut last year in
3 the fast breeder. The only place he could prevent people from
4 being fired was, he moved people over from LOFT. So there was
5 a transfer of positions to prevent people from being discharged.

6 CHAIRMAN HENDRIE: Let's get moving.

7 What do you want to do about the setaside, ACPR
8 test loop? Steve, can you make a recommendation of merit on that?

9 MR. HANAUER: ACPR is a very productive facility. It
10 is time to design the next loop for fiscal '80, and half a
11 million bucks for design studies seemed to be a good thing to
12 do.

13 Then, if there is a program by that time we will
14 know in '80 what to design, and in '81 you will see a bunch
15 of money to build that loop.

16 COMMISSIONER KENNEDY: But we are running a program
17 here of 14.3. And we are talking about a \$500,000 setaside.

18 MR. HANAUER: This was to highlight the fact that,
19 does the Commission really want to start on the next loop
20 in ACPR. It is the opening wedge of what might be a big
21 program, and we thought that you ought to see it.

22 COMMISSIONER KENNEDY: That's fair.

23 CHAIRMAN HENDRIE: What's your inclination?

24 COMMISSIONER KENNEDY: It is my inclination to go
25 ahead. I guess I don't see the need to add all that money.

mm26 1 CHAIRMAN HENDRIE: Do they need half a million to do
2 this?

3 MR. HANAUER: That's about right.

4 They will go somewhere and get that study done for
5 a half million.

6 CHAIRMAN HENDRIE: No people. The half million buys
7 the whole --

8 COMMISSIONER KENNEDY: What I'm trying to say is,
9 can it be done within the 14.3 that's already on that sheet?

10 MR. HANAUER: Well, we're fairly close to bone in
11 that. It would shut down another facility and we didn't want
12 to.

13 COMMISSIONER KENNEDY: Okay, that's the answer.

14 CHAIRMAN HENDRIE: Peter, do you have any --

15 COMMISSIONER BRADFORD: No. I keep putting asterisks
16 in my head as to what will happen if OMB comes back and says,
17 well fellows, we really meant it and this may be one place to
18 look.

19 MR. HANAUER: You have got to really hack.

20 COMMISSIONER KENNEDY: We will face that sooner or
21 later.

22 CHAIRMAN HENDRIE: Well, let's add it in, and as you
23 say, if -- and, in fact if they come back, as they may very
24 well when we get this all assembled and send it to them, and
25 say, look fellows, it is too much money, take it out. The

mm27. 1 fact that research carries 50 percent of the agency's budget --
2 is it 45 this year?

3 MR. GOSSICK: 45.

4 CHAIRMAN HENDRIE: 45 this year -- means inevitably
5 it is a principal place for big swings of money. There is just
6 no way to avoid it.

7 That would give me 15 and 14838.

8 And the next one, if it is okay with you --

9 COMMISSIONER KENNEDY: Just leave it the way it is.

10 CHAIRMAN HENDRIE: 14 and 39 10?

11 COMMISSIONER KENNEDY: What was this \$100,000 add-
12 back?

13 CHAIRMAN HENDRIE: I don't know.

14 COMMISSIONER KENNEDY: Just as a matter of interest,
15 you have added back \$100,000. What was that? Is this another
16 one of travel?

17 MR. GOSSICK: I have asked. I don't know. It is
18 another one of those mysterious, like 3000 things.

19 COMMISSIONER KENNEDY: Never mind. It is irrelevant.
20 Don't worry about it.

21 MR. HANAUER: It is another 8. It had to come out 8.

22 COMMISSIONER KENNEDY: It was 8, it changed it.

23 (Laughter.)

24 MR. DIRCKS: It is funny, they never seem to subtract.

25 (Laughter.)

mm28

1 CHAIRMAN HENDRIE: Now we haven't talked about outyears
2 across here. You will please adjust outyears to maintain constant
3 or diminishing people.

4 Places where we have taken people out or put them
5 in, you will have to adjust the '81 to have the same relation
6 as it did before. The dollars the same way and so on.

7 Do you have totals yet on what we have done to
8 ourselves here?

9 MR. COOPER: You have added a person.

10 CHAIRMAN HENDRIE: We added a net person?

11 MR. COOPER: A net person.

12 And we have added all the setasides of 11.8 million,
13 and deducted 153K for a net increase of 11 647.

14 MR. HANAUER: The reason you added a net person was
15 that there were some people in the setasides.

16 MR. COOPER: The setasides didn't really involve --

17 MR. HANAUER: There were several people, but you cut
18 SAFER 2 people, and you cut site 1.

19 MR. GOSSICK: Their big increase in people was the
20 fuel cycle reclama, which we reduced.

21 MR. DIRCKS: 173?

22 MR. COOPER: That's what I have.

23 CHAIRMAN HENDRIE: So we have 173, and the total
24 dollars --

25 MR. HANAUER: How many million?

mm29

1 CHAIRMAN HENDRIE: He is going to add that.

2 MR. COOPER: 184 926 647.

3 MR. HANAUER: How much program support, do you have
4 that Bruce?

5 MR. COOPER: 196 573.

6 CHAIRMAN HENDRIE: 196 573. Jesus Christ, there
7 goes Sol's 45 percent.

8 MR. HANAUER: That's total. That isn't just program
9 support.

10 CHAIRMAN HENDRIE: What do you mean total?

11 MR. COOPER: What he is saying is, he wants to know
12 how much of that is program support.

13 Well, the answer is all the increased support is
14 program support.

15 MR. HANAUER: My point is, I want to do program
16 support per person gross, and see where we came out.

17 MR. COOPER: I see.

18 MR. HANAUER: Maybe you don't want to sit around
19 while we are doing that.

20 CHAIRMAN HENDRIE: This doesn't include -- it's got
21 a little travel sprinkled on it.

22 MR. HANAUER: And some equipment.

23 COMMISSIONER KENNEDY: A lot of equipment.

24 MR. COOPER: Some equipment, especially in the
25 research program, that's where you are heavy.

30 mm 1

CHAIRMAN HENDRIE: Is the equipment in here?

2

MR. COOPER: Yes.

3

4

CHAIRMAN HENDRIE: That \$10-million-odd worth of

5

MR. COOPER: I would say that's right.

6

CHAIRMAN HENDRIE: Good.

7

My, that's impressive.

8

9

10

COMMISSIONER BRADFORD: A 30 percent increase in dollars in research. That's probably an awful lot higher than -- (Inaudible.)

11

CHAIRMAN HENDRIE: I don't regard this --

12

13

COMMISSIONER KENNEDY: You have got to remember

that LOFT throws in \$45 million of that.

14

MR. HANAUER: Of which roughly 20 was DOE last year.

15

16

CHAIRMAN HENDRIE: Let me tell you what I want to do

now with regard to this budget.

17

18

19

I would like to move on and take a cut at NRR, and then we have meetings scheduled when, Monday morning? People are going to be around.

20

21

22

23

24

25

I think we need to gather again in this same room, and to sort of contemplate the sums, and then stand back and say good, now we have done the pieces, now let's see if we like the sum of the pieces, and then I think we are going to want to think some more about these things. And then, you know, we will scan back across some of these big winner-type items, both

mm31

1 people and dollars, and see where we stand.

2 Following that, I think then the Comptroller's office
3 could let the offices know where the Commission's preliminary
4 mark is, give them about 11 minutes to 12 seconds to reclama,
5 and then slam the door and send it to the printer.

6 Yes, Monday morning, 9:30, God help us. Okay?

7 COMMISSIONER KENNEDY: Right.

8 MR. BARRY: When you net out LOFT and you net out
9 inflation, you are talking about a \$60 million increase.

10 CHAIRMAN HENDRIE: Have that for Monday 9:30.

11 COMMISSIONER BRADFORD: If you net out LOFT and you
12 net out inflation, you -- (Inaudible.)

13 CHAIRMAN HENDRIE: It is a budget which will not be
14 received by our friends in the ugly old building over there with
15 any joy whatsoever. No matter what we are going to end up
16 doing with it, I am prepared to make that assertion. But I
17 would like to see it as an entity, contemplate the great chunks,
18 and then we will go back and say, Geez --

19 COMMISSIONER BRADFORD: I agree with that.

20 CHAIRMAN HENDRIE: Okay, let us advance then on the
21 last of the sheets. Would you like a stretch -- a minute and
22 a half stretch?

23 COMMISSIONER BRADFORD: I need a little bit more
24 than that. (Inaudible.)

25 CHAIRMAN HENDRIE: All right, 15 minutes.

mm32

1 (Recess.)

2 CHAIRMAN HENDRIE: May we stagger forward and grapple
3 with the budget for NRR. Let us seize pencil and address
4 ourselves here.

5 COMMISSIONER KENNEDY: As to the first line,
6 visualizing a gain between 106 in the 1979 President's budget,
7 216 doubling the number in operating reactors -- (Inaudible.) --
8 is an admirable, but I think unattainable goal.

9 CHAIRMAN HENDRIE: Well, if it were as bad as that,
10 I would agree that it is pretty unlikely.

11 However, the '79 President's budget, if you remember,
12 is sort of a cut from last -- well, not quite a year ago. And
13 if you look at their slide pack, it is about the third sheet
14 back in the slide pack, where their manpower layout is, and --

15 MR. GOSSICK: Could I offer an observation? Well, I
16 will ask the BRG whether this is their rational or not, but I
17 think all of us have the feeling that there must be a way of
18 getting this job done without having to dump all these
19 extra resources into it.

20 And hopefully, by the itme we get to '80, maybe we
21 will have gotten partway in learning how to do that. We have
22 got a nearterm effort that Steve is working on, which is a
23 little piece of the action.

24 We have talked about some other things to do to try
25 to get a better handle on the generics and so forth. I guess,

mm33

1 you know you can bet on the common and take some credit, partial
2 credit at least for being able to do that.

3 On the other hand, we might find that we are wrong.
4 And I guess my feeling is that I don't think we can afford to
5 gamble on this. With the nuclear industry the state that it
6 is in, the pestering from the Hill, and you know, getting things
7 out the door. I guess I would be inclined to go with this or
8 something like it with the clear understanding that at the
9 time we get around to defending this budget next spring in
10 front of the Congress, that if by then we have seen where indeed
11 we can do more with fewer, that we just admit it.

12 COMMISSIONER KENNEDY: Well, don't misunderstand.
13 As you already know, I am fully sympathetic to straighten out
14 our budget.

15 (Simultaneous discussion.)

16 CHAIRMAN HENDRIE: Pass that over. Particularly
17 the third page is very illuminating, because it shows the
18 reprogramming. On NRR. In this column, it gives you what
19 they have reprogrammed. It is a 161 to 216 increment rather
20 than a 106 or 2 to 216.

21 I'm sorry, you were going to say?

22 COMMISSIONER KENNEDY: I am always sympathetic and
23 have spent quite a bit of time listening to Roger and all his
24 boys explain the problem. I understand it, and wish we hadn't
25 gotten there. But also recognize we are here, and now that we

1 are here we better do something about it, and better do something
2 about it sooner rather than later.

3 That is not my concern. My concern is only, can we,
4 is it possible to make that kind of -- are we going to be able
5 to find that many people?

6 MR. GOSSICK: It is not easy.

7 COMMISSIONER KENNEDY: That doesn't say we shouldn't
8 try.

9 MR. GOSSICK: Steve, you sounded like you wanted to
10 do more.

11 MR. HANAUER: If you have to do it for insurance, I
12 guess you have to do it.

13 It is doing things the way we are doing now, and we
14 are not making it now. The shortfall is increasing, the
15 backlog is increasing. And therefore, if you have to project
16 today's functions and today's tests to 1980, then that is the
17 number you legitimately get. And you know, I have participated
18 in this thing.

19 It seems to me --

20 COMMISSIONER KENNEDY: Let me be sure, I am not
21 questioning the number. I am satisfied with the number.

22 MR. HANAUER: I am trying to start the next sentence
23 with "but."

24 COMMISSIONER KENNEDY: It is Steve's point that I think
25 I am trying to think through, too.

mm35

1 MR. HANAUER: But, I don't see how the Commission
2 can any longer stand such an approach, and indeed, the Commission
3 doesn't intend to. And Harold doesn't intend to.

4 What has to be done is to figure out a different
5 view of the functions and a different view of the tasks, and
6 a way to get done with some more reasonable level of resources.

7 Now if you start today, which you can't, because you
8 just appointed somebody today and he has got to figure out what
9 is going on, if you start soon to try and arrive at some better
10 scheme, it is going to take at a minimum some months to decide,
11 and you are into fiscal '79 before you figure out what has gone
12 wrong, if anything, and what maybe ought to be done. And by the
13 time you implement some of this good stuff, you are at the very
14 last, the beginning of fiscal '80, and more realistically you
15 will start fiscal '80 without a complete new scheme.

16 So this is a form of insurance.

17 On the other hand, if lightening were to strike and
18 you were to get 200 more people and you hired them on the come
19 in '79 as you surely would, if you got them for '80, and then
20 something more -- what's the right word -- something more
21 efficient were to develop, you might find yourself with 100
22 more people than you needed in about '82, which is embarrassing,
23 but it is not as embarrassing as losing either safety or the
24 licensing process.

25 So that one has to be very uneasy about these very

mm36

1 large numbers, and willing almost the instant the light appears
2 at the end of the tunnel to go back and say, well, really, we
3 are more intelligent now and we now find we don't need them.

4 So that this is really almost a blindfolded fiscal
5 '80 budget, of these tests and these functions as projected to
6 fiscal '80.

7 COMMISSIONER KENNEDY: Once you start, however,
8 putting larger numbers of people into the present scheme of
9 things, aren't you tending to lock that scheme in further and
10 further.

11 MR. HANAUER: To some extent, certainly.

12 COMMISSIONER KENNEDY: It makes it continually harder
13 to change. But again, I understand the problems.

14 MR. DIRCKS: But I think that is why we repeated on
15 a couple of occasions, even if you agree to these numbers and
16 dollars, it is not enough. You have got to agree to keep the
17 pressure on.

18 MR. HANAUER: To turn the pressure on. There is not
19 now -- there needs to be more pressure.

20 CHAIRMAN HENDRIE: Well I certainly agree, and I have
21 been saying for sometime, that we simply cannot do the jobs
22 that clearly lie before us, with the same machinery that we are
23 now doing it. That machinery is an endless consumer of
24 human resources. We have to find better ways to do the job.

25 MR. HANAUER: I'll remark that the Administration

mm37

1 Licensing Reform Bill will exacerbate that for at least several
2 years, if not forever, by more early site reviews, more standard
3 reviews, more coordination with states, more NEPA.

4 CHAIRMAN HENDRIE: Except, the environmental side
5 tried, and hasn't, at least thus far, been pacing for quite a
6 while.

7 But even while I reflect that we have got to find
8 new ways, new pieces of methodology to deal with these things,
9 particularly on the operating reactor side, I also must admit
10 that I don't know quite what the right ratio of staff in the
11 operating reactors area is to the number of reactors.

12 At the moment we have got -- well, they have re-
13 programmed into the office and are aiming this coming fiscal
14 year, at a level of 161 and about 70, 75 machines on line.
15 And I must say I can't tell whether that's the right number or
16 half the right number. It seems unlikely that it is twice the
17 right number, in view of what we know, at least at present of
18 the way the technology works as these plants come on the line
19 now.

20 So it may be that some sort of substantial step
21 increase in the manning in this area is over the long run
22 going to be compelled upon us, and even if we manage to very
23 considerably improve the effectiveness of our dealing with
24 1000 amendments a year, or how we manage them .

25 Also, in the other areas, major manpower areas,

mm38

1 casework and technical projects, I've similarly found it hard to
2 know whether that is really the right number to handle as
3 industry, or not the right number. But they seem to be in
4 some trouble now.

5 Again, they need better methods to deal with things.
6 But, it will take a while to work out.

7 I come down on balance, that I am going to support
8 a fairly husky increment of people for this office. Whether we
9 can make that argument sufficiently convincing fashion, carry
10 it through the Administration's review and on through the
11 Congress through next year, I'll be darned if I know. But I'm
12 a little regretful now that in view of what I know right now,
13 that I didn't spend more time last year at this time out in the
14 NRR shop understanding some of the difficulties they felt they
15 were having then as they saw them at that time. If that had
16 been the case we conceivably would have gone forward in the '79
17 budget with a few more people in the office, and that might have
18 been helpful and saved you some of the reprogramming sorts of
19 short-term efforts that we are plunging into now to help them
20 through the next year.

21 MR. GOSSICK: I think the depiction of the problems
22 that they saw of what they had then, though, I would contend are
23 quite different than what they are now.

24 CHAIRMAN HENDRIE: I think that is right. The message,
25 the intensity and the nature of the message comes through very

mm
1 differently now than it did then.

2 But even at that, I didn't go out and make a canvas
3 through the offices, and I think now that I should have.

4 It would have been nice, for instance, to have the
5 35 people showing up as available new candidates in '79,
6 because we could be hiring them right now, and there would be
7 less need to strip standards, general engineering section bare
8 in order to keep things moving.

9 I don't know that 100 -- let's see, it turns out to
10 be 189 souls, which is a pretty husky number. I would guess,
11 be inclined to come back some on that.

12 COMMISSIONER KENNEDY: I've got a couple of places I
13 think you can do that.

14 CHAIRMAN HENDRIE: Well, to take that first line, if
15 they are reprogramming at the 160 level. an increment of, it
16 seems to me, 40, 45 is a pretty husky increment to take aboard
17 as a practical matter. And I would be inclined to lop, I
18 don't know, 10 or 11 off the EDO mark on that one.

19 And then the other big chunks are in casework and
20 tech projects. And again --

21 COMMISSIONER KENNEDY: Tech projects is actually
22 showing at lower than the '79 Presidential level.

23 CHAIRMAN HENDRIE: They have apparently reprogrammed
24 furiously out of -- well, you need to keep looking at this one.

25 COMMISSIONER KENNEDY: I am.

mm40 1 CHAIRMAN HENDRIE: They have apparently reprogrammed
2 out of the tech projects, in order to fill the operating
3 reactors need, and the casework. And I think, you know, if I'd
4 been out there, that's what I'd have done, too. Keep those
5 cases moving.

6 It does mean it is an area in which an increment of
7 67 people, that's a 50 percent.

8 COMMISSIONER KENNEDY: You mean in terms of hiring
9 against the present levels, the actual levels?

10 CHAIRMAN HENDRIE: Yes.

11 COMMISSIONER KENNEDY: Rather than comparing the
12 proposal with what's on the books?

13 CHAIRMAN HENDRIE: Yes, just so. The way the technical
14 projects line runs across here, it goes from 205 to 193, goody,
15 goody, we cut people out of it.

16 But the apparent fact of the matter is that it is
17 rather the other way up, and they are contemplating a 50 percent
18 increase in the area.

19 COMMISSIONER KENNEDY: I guess I would be tempted to
20 leave it alone.

21 CHAIRMAN HENDRIE: Well I was going to trim 12, 13
22 people out of it.

23 What do you think.

24 COMMISSIONER KENNEDY: Well, I'd be concerned that
25 doing that, it is going to give the impression that in fact you

mm41

1 are turning down, reducing the level.

2 CHAIRMAN HENDRIE: Let me ask a question: In terms of
3 presenting a reasonable basis for comparison with '79, the
4 '80 budget projection, where offices are reprogramming -- since
5 we are not in '79 yet, it means their plan is to reprogram
6 people back and forth, a perfectly legitimate thing to do,
7 that's what management is for -- but in looking at these sheets,
8 and when our friends in the ugly building look at them, the
9 Presidential budget, in these cases then, you know you are not
10 starting from the right place to look at the '80 request.

11 MR. GOSSICK: Just from the total that's all.

12 MR. COOPER: We provide them with statistical tables
13 that show them both the current estimate and the President's
14 budget so they can see what the real world is.

15 CHAIRMAN HENDRIE: Well I think it is essential that,
16 you know, the people see very clearly what the expected real
17 world is. I had to say expected, we are not there yet.

18 MR. BARRY: We'll have to take OMB through a 2-step process
19 because when they say, why did your thing go, casework,
20 whatever it was, from 161 in '79, we are going to have to take
21 them through a first step that says, because of manloading, look
22 what has happened to us. If the manloading had been what we
23 told you it was last year, here would have been the number in
24 '79 for that decision. It isn't, it is twice that, or it is a
25 third of that. So we've had to reprogram out of the lower

mm42

1 priority, which is tech review. And there it is. And that is
2 how that one is there.

3 And then we will compare that number to '80, which
4 is nothing, because you have got more work to do.

5 And then, you know, we will be squared away.

6 Now, you know they have got to make two decisions:
7 Do we think the manloading is at least halfway honest, and
8 do they really have that much more work to do.

9 CHAIRMAN HENDRIE: Well, make sure it is there to be
10 seen.

11 COMMISSIONER KENNEDY: Well you are saying then,
12 some caught under that 193 is not going to be --

13 MR. COOPER: To answer your question, I think it should
14 be pointed out that when we went down there in '78 we hung our
15 heads pretty low, because we couldn't really justify to the Nth
16 degree with any kind of system, tech projects.

17 But when we went down in '79, we held it up high
18 and said we are not going to apologize for the past. We have
19 developed a tremendous system for tracking tech projects, we
20 have categorized, and that is how we sold a large increase.

21 So the only thing I would point out is, a large
22 decrease would be backing off that posture.

23 COMMISSIONER KENNEDY: That's what concerns me.

24 MR. BARRY: Except they know from last year and
25 this year and the year before, that our priority is from the

1 top to the bottom. They know that. We told them that.

2 CHAIRMAN HENDRIE: You know, it isn't that the tech
3 projects workload in '79 has disappeared. It is that there are
4 higher priority things that are giving us fits. We are doing
5 short-term shuffle to try to recoup some of our losses.

6 MR. BARRY: That's the way I shall communicate it to
7 them. Below tech projects you don't have a thing.

8 CHAIRMAN HENDRIE: I'll tell you what I was looking
9 to do, Dick, and that was to distribute a reduction of about
10 35 in the plus 189. It would seem to me somewhere closer to
11 150. I was going to take about 10, 11 or 12 out of each of the
12 three major things and let the others alone.

13 COMMISSIONER KENNEDY: I have got a couple of others
14 I would like to take a look at.

15 Okay, what do you want to take out of here, 10?

16 CHAIRMAN HENDRIE: All right.

17 COMMISSIONER KENNEDY: The money looks okay.

18 CHAIRMAN HENDRIE: Yes, the money hardly makes an
19 escalation, as a matter of fact.

20 If we took tech projects, if we took 10 to 183 --

21 MR. HANAUER: You could soften the blows in those
22 three areas by giving them a dab of money to rent bodies if
23 you are going to take large bodies of people away.

24 COMMISSIONER KENNEDY: Where would you put them?

25 MR. HANAUER: You could do it in all three of those;

mm44

1 casework, operating reactors and tech projects.

2 COMMISSIONER KENNEDY: In casework we are already
3 going from 46 to 78.

4 CHAIRMAN HENDRIE: That is a hell of an increment.

5 MR. HANAUER: There is a lot of rented bodies in
6 there. If you are going to cut their personnel, you want to
7 give them some more "rent-a-bodies."

8 MR. COOPER: Does that say the dollars are easy to
9 get and people aren't?

10 MR. HANAUER: That's the point.

11 CHAIRMAN HENDRIE: Tell you what. Why don't we
12 go up to 6 million. 183 and 6 million 6, which would be
13 150K.

14 COMMISSIONER KENNEDY: That's in tech projects?

15 CHAIRMAN HENDRIE: It is a gesture of good will,
16 rather than a full replacement. How about that?

17 (Laughter.)

18 COMMISSIONER KENNEDY: These are lower-priced rent-a-
19 bodies, as we see. That is really not all that much of an
20 increase.

21 CHAIRMAN HENDRIE: Well, let's see, from 212 to 69.

22 COMMISSIONER KENNEDY: Roughly 25 percent.

23 CHAIRMAN HENDRIE: Yes, 157. Well, by 10, or would
24 you prefer to stay a little higher?

25 COMMISSIONER KENNEDY: I guess I'd stay a little

mm45

1 higher. I would take 5.

2 CHAIRMAN HENDRIE: Take 5.

3 COMMISSIONER KENNEDY: And let's go down to the
4 advanced --

5 CHAIRMAN HENDRIE: And leave the money the same
6 because it has gone --

7 COMMISSIONER KENNEDY: It is way up.

8 The other two, safeguards -- I see no reason in the
9 world to add two more bodies to safeguards.

10 MR. HANAUER: They had a story.

11 COMMISSIONER KENNEDY: I heard.

12 (Laughter.)

13 That's why I just said I see no reason --

14 MR. HANAUER: You put something off to February of
15 '79, and the people have got to send in a whole batch of
16 stuff, and that is the bulge you needed.

17 COMMISSIONER KENNEDY: By that time we will have,
18 hopefully, rationalized the entire safeguards program of this
19 agency, so that instead of having safeguards experts everywhere,
20 they can be brought together and use the expertise more efficiently.
21 They are not now doing it.

22 MR. HANAUER: There is a big batch of rented bodies
23 in the review of safeguards amendments already. They have got
24 ten manyears or more for Los Alamos working.

25 COMMISSIONER KENNEDY: That's right. I would drop those

mm46

1 two.

2 CHAIRMAN HENDRIE: On behalf of our colleague who
3 cannot be with us this afternoon, I will join you in the act.
4 Minus two. 216.

5 COMMISSIONER KENNEDY: Right.

6 CHAIRMAN HENDRIE: EDO mark. Do you want to leave the
7 930?

8 MR. BARRY: I would, so they can contract for it.

9 COMMISSIONER KENNEDY: You know the money is going
10 about another 100,000. And it is up 300,000 in two years, or
11 50 percent.

12 MR. HANAUER: They have got the upgraded rules, and
13 now they have got all this other stuff..

14 CHAIRMAN HENDRIE: Give them 70K and that will round
15 to 8 million.

16 COMMISSIONER KENNEDY: Right.

17 (Laughter.)

18 CHAIRMAN HENDRIE: Let me go up to the operating
19 reactors proposition, and recommend that --

20 COMMISSIONER KENNEDY: Do you want to increase the
21 money?

22 CHAIRMAN HENDRIE: No, the money seems to be fairly
23 husky. It is up by the office request.

24 I was going to take 11 people out of there just
25 because that makes a neat 205. Please, no laughter.

mm47

1 MR. BARRY: There is an area there that has a possi-
2 bility. Maybe we have to get closer. To hire more contractual
3 to do the -- (Inaudible.) in addition to the backlog, to
4 literally do some of the thousand --

5 CHAIRMAN HENDRIE: Well, we will take it out of
6 research when we get there. I think the 4 million 6 is --

7 MR. BARRY: I'm not saying to put more money in, I'm
8 just saying that we might even save more people as we approach
9 it with dollars rather than --

10 CHAIRMAN HENDRIE: At minus 11 and 2 5, 4.6 million,
11 I'd buy them that.

12 Now, let me talk about systematic evaluation of
13 operating reactors. Let me recite a little history.

14 This program was to have a Phase 1 in which we were
15 to decide which old reactors we were to look at and how to look
16 at them.

17 COMMISSIONER KENNEDY: We ginned up a list of 8, as
18 I recall.

19 CHAIRMAN HENDRIE: Well, it has gotten to be 11.

20 COMMISSIONER KENNEDY: It was 8, wasn't it?

21 MR. GOSSICK: It was 8.

22 CHAIRMAN HENDRIE: Now Phase 1 was completed in
23 September of '77.

24 Phase 2 was to do the reviews of the old reactors,
25 which are now 11 and that includes --

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1 COMMISSIONER KENNEDY: Sequentially.

2 CHAIRMAN HENDRIE: -- converting 8 POLs which are
3 an abomination and a disgrace upon us, to OLS. And tempting
4 as these 30 people are in the present straits of NRR, I've
5 concluded for myself, that I would leave the SEP alone --

6 COMMISSIONER KENNEDY: So would I.

7 CHAIRMAN HENDRIE: -- because of the urgency of
8 getting off those POLs and doing something about putting the
9 old machines on a fair basis.

10 MR. HANAUER: Furthermore, you don't save much by
11 cutting down in the SEP, because it stands for a huge number
12 of additional items of backlog for applying this, that and the
13 other to those 11 reactors, which have to be done anyway.

14 CHAIRMAN HENDRIE: And you would have to convert the
15 POLs to OLS, and that is 7 or 8 out of the 11. So I just
16 couldn't see any way to save it.

17 MR. HANAUER: It is actually an economy, I think.

18 COMMISSIONER KENNEDY: I agree.

19 CHAIRMAN HENDRIE: Now, if things go well, Phase 2 is
20 due to be concluded in October 1980, i.e. just at the end of
21 fiscal year '80.

22 This budget, since nobody knows quite how the
23 world will go, assumes that there will be Phase 3, 4, 5, you
24 know on into the distant future.

25 My own view is that once you get the POLs cleaned up

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1 and that old group of 11 sort of pre-current generation ECCS
2 plants tolerably well in hand, or a basis on which you can live
3 with them, that the need for this sort of endeavor is in my
4 view considerably reduced, at least in times when we are
5 choking in the licensing shop.

6 And I would be inclined then to plan to terminate
7 the systematic evaluation program after the completion of Phase
8 2, which will be either early in fiscal '81, hopefully right
9 at the beginning, but a little way along, if not.

10 So I lay that proposal out.

11 COMMISSIONER KENNEDY: Yes, well we don't have to
12 decide that now.

13 CHAIRMAN HENDRIE: No. But it would be nice to show
14 that on the outyears, a chop. And particularly that kerchop
15 would allow us some growth in '81 in the other aspects of NRR.

16 COMMISSIONER KENNEDY: I would not object to dropping
17 3 or 4, just to show a downward trend or something. But I
18 would hesitate to do something that suggests we have made a
19 decision when, in fact, we haven't.

20 And if you make a big number change, it suggests that
21 you have made a decision.

22 CHAIRMAN HENDRIE: I was kind of hoping we could
23 make the decision this year.

24 COMMISSIONER KENNEDY: We might this year. We haven't
25 yet.

mm50 1 Anyway, I don't think even that 10 or 15 are going
2 to make any difference in these outyear projections.

3 CHAIRMAN HENDRIE: Well, I have got a notion if we
4 can bring ourselves to do it, it will have a large symbolic
5 significance with reviewers on high.

6 COMMISSIONER KENNEDY: I wish I thought that were so.
7 When I look at the other numbers in the outyears, I don't think
8 it is going to make any difference at all.

9 If it goes down a little bit, I think it will have
10 all the symbolic significance you can get. But it doesn't,
11 I don't really care.

12 MR. HANAUER: Realistically, you have got 50 plants
13 in a kind of a hold between your Phase 2 SEP and the modern
14 way. There is a lot less to do on those 50 plants than there
15 is on the first 11. But it is a lot of empty boxes in the pick
16 book, and if you don't do it in some Phase 3 SEP, you will
17 have to do it some other way.

18 CHAIRMAN HENDRIE: But I wonder for how many of those
19 50 plants it is really a matter which is best dealt with by a
20 dedicated 30-odd person expert team that sort of sits down with
21 the plant as a whole and treats them the way they did those
22 Phase 1 plants.

23 MR. HANAUER: When you are budgeting you don't have
24 to ask whether they are dedicated team, or whether it is just
25 that much manpower.

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1 CHAIRMAN HENDRIE: Yes, but what I think is the
2 manpower to do most of the cleanup items in the 50 plants, is
3 already up in the 216, 250, 270 for operating reactors --

4 MR. HANAUER: I don't think so. There has been a lot
5 of stuff swept into, well, we'll fix it in the SEP.

6 CHAIRMAN HENDRIE: -- and in the tech projects.

7 MR. HANAUER: RRRC category items for those 50
8 plants, there are a lot of them just waiting around for Phase 3
9 and they will have to be done somehow.

10 I can't really tell you it takes 30 people in that
11 line. It is a level of effort. If you write 20, it will take
12 you that much longer.

13 MR. BARRY: Well, there is something to be shown
14 though, if you could reduce that a little in '82.

15 CHAIRMAN HENDRIE: I find it a little hard to
16 separate out the difference between that and you are just
17 dealing with old amendments.

18 (Simultaneous discussion.)

19 MR. HANAUER: -- It is another caliber of backlog,
20 which makes the amendment backlog even more frightening if you
21 add them up. They are not in that list because they are
22 nicely umbrella'd in SEP.

23 MR. BARRY: If you showed a general trend down,
24 it would indicate you are not going to do this forever.

25 CHAIRMAN HENDRIE: It is another way of creating a

mm521 different kind of generic issue, that will turn out to be a
2 snakepit in three years.

3 MR. HANAUER: Yes, sir. But you have already done that.
4 You have got that SEP list.

5 CHAIRMAN HENDRIE: Well, to the extent that it
6 doesn't reflect in amendments and backlogged items in the
7 operating reactor line, I'm not so sure, you know, people want
8 to sit around with plants like Oyster Creek and contemplate a
9 plant and the latest Reg Guide on paint color, and decide
10 whether it is going to apply.

11 I have a notion a little hardboiled saying no,
12 God dammit, it doesn't apply, right across the board would
13 say, you know, a good deal of systematic evaluation.

14 MR. HANAUER: It might indeed.

15 CHAIRMAN HENDRIE: Well I recommend that as a minimum
16 we show some trend down in '81.

17 COMMISSIONER KENNEDY: I would say 28 and 25 or
18 something. '81 28, and then down to 25, which will show that
19 trend down, which points to your running it out.

20 MR. BARRY: That will help.

21 CHAIRMAN HENDRIE: I would be glad to show even more
22 of a trend down than that if you could stand it.

23 MR. HANAUER: The other thing you could do is just
24 show 20 something and just make it even in '81 and '82 at some
25 lower level, Phase 2 having been completed.

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1 COMMISSIONER KENNEDY: Pick a number above 20.

2 CHAIRMAN HENDRIE: How about 25?

3 COMMISSIONER KENNEDY: 25 for both years. That's
4 fine, that's all right with me.

5 CHAIRMAN HENDRIE: Would you go 25, 20, or am I
6 depressing you?

7 COMMISSIONER KENNEDY: That's okay. You are depressing
8 me, but that's all right.

9 (Laughter.)

10 I swear it is going to be back up again tomorrow.
11 That's fine.

12 CHAIRMAN HENDRIE: And in particular I agree that I
13 wouldn't tamper with the number for fiscal year '80, because
14 they are in full swing, and they have got hearings going on,
15 POLs, OL conversions all over the place. In fact, I hope
16 they can manage it.

17 COMMISSIONER KENNEDY: How about advanced reactors?
18 The President's budget in 1979 shows 10, and I notice with the
19 fiscal '79 reprogramming, that is what they have, still 10.
20 And now we are going to go to 16 again.

21 CHAIRMAN HENDRIE: Why was that?

22 MR. HANAUER: That was built on a number of less than
23 fully substantial needs, that went something something as follows:

24 The caseload forecast panel included some NASAP
25 INFCE type review, some Naval reviews which are real Naval

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1 reactor type, professional reactor type reviews that are real,
2 one breeder demo that we threw out, and some gas cooled stuff
3 that you heard the line on a couple of weeks ago. What they
4 forgot to tell you was how many hundred million dollars of
5 federal sugar is required to make those gas programs go. It is
6 a very large sum.

7 So we chopped at that here and there.

8 MR. DIRCKS: There is sort of a grey area. OMB said
9 they'd take a look. (Handing document to Commissioner Kennedy.)

10 All they said is that they, themselves, can go and
11 they are going to let DOE come back in. They count on something
12 coming in in the NASAP area.

13 There is going to be something following on.

14 MR. HANAUER: Yes, if NASAP and INFCE do anything
15 they will be two or three candidate fuel cycles that people have
16 to do things about. And that is in there at a level which have
17 to be guessed.

18 There is FFTF, there is EER2, there is Ft. St. Vrain
19 which all have amendments and so on that stay in that branch.

20 We whacked very hard. We cut them roughly in half,
21 as I recall.

22 COMMISSIONER KENNEDY: You did better than that.

23 (Laughter.)

24 Their request was 43, as I recall -- but to say
25 you really whacked, you would have whacked them really harder

mm 1 if they had only requested more.

2 (Laughter.)

3 MR. GOSSICK: If they had asked for 3 you could
4 have probably said you reduced them by 2/3.

5 (Laughter.)

6 MR. DIRCKS: We tried to leave a little bit. A lot
7 of it was just small level.

8 MR. GOSSICK: So far you have got 28 that you knocked
9 down.

10 COMMISSIONER KENNEDY: I would be willing to take a
11 couple more out of this and I would not feel that the program
12 would be hurt.

13 CHAIRMAN HENDRIE: Bump a few more?

14 COMMISSIONER KENNEDY: I would.

15 CHAIRMAN HENDRIE: Take it to 14.

16 How about dollars?

17 COMMISSIONER KENNEDY: I'd leave dollars alone.

18 CHAIRMAN HENDRIE: Okay.

19 Again that is 400 million. That is 50 percent more
20 dollars than last year's budget.

21 Standards assistance at 11 is probably -- I don't
22 know whether that is more or less, and I continue to think the
23 directors have to deal on that on a totally impersonal basis,
24 Whether it is 11 manyears or 15, I'm damned if I know.

25 Since it is all handwaving, by guess and by God,

mm56 1 these manpower numbers on the standards assistance, why most
2 of it is -- you can shave those up or down when you prepare
3 your slides. But, leave it at 11.

4 Training and correspondence. They claim they have
5 got 23 people headed in there. Except, that's odd, they think
6 they have got 27 working on it right now. 23 in '79.

7 MR. HANAUER: They are just going to cut training.

8 MR. GOSSICK: Well you can afford a little bit
9 by the number of people that you are taking out.

10 MR. BARRY: 3 percent factor, that is what it is.

11 COMMISSIONER KENNEDY: We ought to be able to take
12 another one out.

13 MR. BARRY: You can take 1 or 2.

14 CHAIRMAN HENDRIE: Do you want to take 2 more?

15 MR. HANAUER: They do get an inordinate number of
16 studies from congressmen.

17 COMMISSIONER KENNEDY: Sure. I guess I would take
18 out 1.

19 CHAIRMAN HENDRIE: Take out 1. That would drop it
20 to 30.

21 The Director's office seems fairly constant. I
22 guess I wouldn't change it.

23 COMMISSIONER KENNEDY: I wouldn't.

24 I wouldn't change it if we are leaving it where it
25 has been.

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1 CHAIRMAN HENDRIE: Well, if we do all of them there
2 things, we have got minus 31.

3 COMMISSIONER KENNEDY: 31, that's right.

4 CHAIRMAN HENDRIE: At 774.

5 COMMISSIONER KENNEDY: That looks like a reasonable
6 number yo me.

7 CHAIRMAN HENDRIE: hat would give us 774. And what
8 did we do to the dollars? We shaded them upin minor ways.

9 COMMISSIONER KENNEDY: 70, 150 up 220.

10 CHAIRMAN HENDRIE: And that took us up to 22546.

11 MR. HANAUER: There is not a dime in this for risk
12 studies and the like.

13 . COMMISSIONER KENNEDY: In NRR?

14 MR. HANAUER: Yes.

15 CHAIRMAN HENDRIE: By the time you chuck that, you
16 know you are talking about 158 people more than they got in the
17 previous year, by the time we get through shaking out and one
18 thing and another, why I wouldn't worry much about it. Of
19 course they aren't going to be allowed to have that many.

20 MR. HANAUER: That program is not going anywhere
21 because they feel they can't implement it in the present crisis.

22 COMMISSIONER KENNEDY: They said that last year, and
23 they didn't have the crisis last year.

24 MR. COOPER: We have two setasides that we haven't
25 dealt with.

1 CHAIRMAN HENDRIE: Setasides? Forget it.

2 COMMISSIONER KENNEDY: Where are they?

3 MR. DIRCKS: Left-hand corner of the page.

4 MR.GOSSICK: The one involving people. They were
5 asking 7 people and 500,000 for a breeder demonstration.

6 CHAIRMAN HENDRIE: When there is a breeder demon-
7 stration, let's cough up the people and the money, okay?

8 MR.HANAUER: That's the way the BRG felt.

9 COMMISSIONER KENNEDY: As soon as someone designs
10 one and decides to have it, we will sure get it in there and
11 do something about it.

12 CHAIRMAN HENDRIE: And for safeguards --

13 COMMISSIONER KENNEDY: What is the --

14 MR. HANAUER: That's that intervention.

15 MR. GOSSICK: Safeguards agreement, yes.

16 COMMISSIONER KENNEDY: Is it, or is it implementing
17 the US offer?

18 MR. GOSSICK: That's right.

19 COMMISSIONER KENNEDY: Why do these guys need
20 300,000 for that?

21 MR.HANAUER: They've got to develop those pieces of
22 paper that the IAEA inspectors will use.

23 COMMISSIONER KENNEDY: What is it?

24 MR. DIRCKS: Provide safeguard information.

25 COMMISSIONER KENNEDY: Let's see what our friends

1 now have here. They only have -- you just gave them \$70,000.
2 You gave them 25 percent of what they asked for. And with
3 the efficiency with which they do this stuff in that
4 safeguards operation, there is no doubt in my mind they could
5 handle it all.

6 MR. HANAUER: No, that is one place they can't
7 double up, because they are already using that money to rent
8 bodies.

9 COMMISSIONER KENNEDY: We just gave them 70,000 more.
10 We increased the safeguards money from 930 to a million
11 because you wanted to round it off.

12 CHAIRMAN HENDRIE: When are we going to get that
13 agreement in place, do we know?

14 MR. GOSSICK: Whenever they get around to rati-
15 fying it, and Lord knows.

16 I have a feeling if we need this money we will find
17 it in the budget somewhere.

18 COMMISSIONER KENNEDY: Remembering we have put another
19 70,000, so we are talking about \$210,000.

20 You are looking askance, Steve.

21 MR. HANAUER: I don't know how --

22 MR. GOSSICK: Not necessarily out of that number. I
23 just said budgetwide.

24 MR. DIRCKS: If the Senate passes the treaty.

25 COMMISSIONER KENNEDY: I would have thought all those

1 pieces of paper would have been done before all that, anyway.

2 CHAIRMAN HENDRIE: If it gets approved next spring --

3 COMMISSIONER KENNEDY: They ought to be doing those
4 pieces of paper now.

5 MR. GOSSICK: Some of them are being done in fuel
6 cycle stuff.

7 COMMISSIONER KENNEDY: Since they know it is in the
8 offing, they know the kinds of installations that are involved,
9 they ought to have at least mocked them up; they ought to be
10 in the process of mocking them up and devising models which
11 can be --

12 MR. HANAUER: This stuff sprouted like weeds over
13 several budgets, and this was the place where we put a little
14 dab of it. This and INFCE just sprouted all over.

15 COMMISSIONER KENNEDY: Typical. Everybody suddenly
16 finds that INFCE just created an enormous problem for them
17 that they didn't know about yesterday.

18 MR. DIRCKS: That one and NASAP, between 25 and 50
19 people.

20 MR. HANAUER: Yes, in NASAP and INFCE.

21 CHAIRMAN HENDRIE: Okay. Before we quit, let us
22 have a word or two about the outyears.

23 If I scan the outyears from the bottom because it
24 seems fairly harmless, I've got no trouble with the Director's
25 office, it is constant.

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1 Training and correspondence would creep up a couple.

2 COMMISSIONER KENNEDY: They would have to adjust
3 this generally as a factor of whatever it is occurring --

4 MR. COOPER: At the 3 percent level. Adjust it up.

5 CHAIRMAN HENDRIE: Adjust it from 30 rather than 31,
6 if that is the right thing to do.

7 Standards assistance popped back to 18. 15, I don't
8 know.

9 MR. HANAUER: Well, the idea was a deep cut for
10 one year, and then to restore some reasonable level for
11 professional development.

12 CHAIRMAN HENDRIE: You can't take a deep cut for one
13 year. I think the deep cut to 11 is phony as hell.

14 MR. HANAUER: Well the deep cut is, don't go this year.

15 MR. DIRCKS: That's on codes and standards.

16 MR. HANAUER: On codes and standards you can do that.
17 This is standards committee.

18 CHAIRMAN HENDRIE: You know as I said the other day,
19 people are going to come around and say, Look, George, I'll
20 take it on my vacation time, for God's sake.

21 MR. GOSSICK: This isn't just that business.

22 MR. HANAUER: That cut from 18 to 11 was just that.
23 The codes list was, don't go for a year, because we are in a
24 year of crisis in 1980 or something.

25 COMMISSIONER KENNEDY: I don't think we are in a year

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1 in 1980, we are in a year of crisis now.

2 CHAIRMAN HENDRIE: By 1980 we may be fat and happy.

3 COMMISSIONER KENNEDY: That's right.

4 CHAIRMAN HENDRIE: Not too likely, but it could happen.

5 Anyway, I don't much care, it can go back.

6 COMMISSIONER KENNEDY: Anyway, like I said at that
7 meeting, I think this is a fascinating statistical exercise.
8 But it isn't 11 bodies or 18 bodies. It is two weeks out of
9 200 guys' time. And you know, if this agency can't stand two
10 weeks out of 200 guys' time to make up the whole 21, we got
11 management problems we haven't even thought up yet.

12 CHAIRMAN HENDRIE: Let me advance to advance reactors
13 where I note that as it stands the '81 and '82 budgets amount
14 to a cheerful doubling of the '80 budget. That's on the basis
15 of what?

16 MR. HANAUER: The idea was that by '81 the country
17 will decide what it wants to do and NRR will have to do some-
18 thing with some applications, gas or whatever it is.

19 COMMISSIONER KENNEDY: I wouldn't be troubled by
20 that, I guess.

21 I don't think I would make the '82 figure higher,
22 though. I guess I would just put the numbers at some higher
23 level. I'm not even sure it would be 30, just to raise that
24 very point.

25 CHAIRMAN HENDRIE: 30, 30?

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1 COMMISSIONER KENNEDY: Yes.

2 CHAIRMAN HENDRIE: If that seems for the best.

3 COMMISSIONER KENNEDY: I'm not even sure it needs to
4 be up as high as 30 to make the point.

5 MR. COOPER: You can always come back down. Be a
6 hero.

7 CHAIRMAN HENDRIE: Technical projects. Let's see,
8 it was going to go up from 193 to 212.

9 COMMISSIONER KENNEDY: Now it is 183.

10 CHAIRMAN HENDRIE: Why don't we propagate the rule of
11 10 on down the line, and take it up to 200, if they are
12 determined about this. 200 and 7 million.

13 COMMISSIONER KENNEDY: Why does the money continue
14 to go up by a million dollars a year.

15 MR. GOSSICK: It is a round number.

16 COMMISSIONER KENNEDY: That is a nice round number.
17 In salary it would look great.

18 MR. DIRCKS: How about inflation?

19 MR. HANAUER: No, these are constant dollars. You
20 can't have inflation.

21 CHAIRMAN HENDRIE: I would be inclined to put the
22 dollars in '81 at 65 dollars, and the next year, maybe even
23 at 6. By '82 we ought to have made some progress on this
24 list.

25 COMMISSIONER KENNEDY: This year, remember we have

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1 got 6 6. That is '80 we settled at 6 6. Then you would say
2 6 5 and then 6?

3 That sounds reasonable to me.

4 CHAIRMAN HENDRIE: You know, it is rising like
5 4 this year and 6 1 next, 6 6 the next. And unless this list
6 is going to self generate and sort of accelerate away from it,
7 we ought to get a piece of it done someday.

8 MR. GOSSICK: What was your '80 personnel number
9 there? 200, 212.

10 CHAIRMAN HENDRIE: The '80 personnel number?

11 MR. GOSSICK: The '82 number.

12 CHAIRMAN HENDRIE: Well, I said 200 for both years.
13 I wouldn't mind shaving that off a bit back. I would drop the
14 manning.

15 MR. BARRY: Because our reason for increasing was
16 that we were going to accelerate them. -- (Inaudible.)

17 CHAIRMAN HENDRIE: What were you going to do?

18 MR. BARRY: The reason it went up another million,
19 we were going to accelerate the completion of generic Bs.
20 We will have a whole new list by then.

21 MR. HANAUER: We are going to have a whole new list
22 in a couple of months. And it is going to be different as hell.

23 CHAIRMAN HENDRIE: And we are going to find a lot
24 of the things on there cut about as much difference to safety
25 as spitting on the table, and it is going to become a question

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1 of whether the taxpayers ought to have to put up for that stuff.

2 MR. BARRY: Your curve is better, down instead of up.

3 MR. COOPER: A-8s are better than B-2s or something
4 like that.

5 CHAIRMAN HENDRIE: How would you like to go in
6 that tech projects line, we have got 183 and 6600 in '80.
7 Does it really need to go on up?

8 MR. HANAUER: Why don't you just level it.

9 CHAIRMAN HENDRIE: I'll call it 185 and 6 5, and
10 185 and 6. How does that strike you?

11 MR. BARRY: In '81 185?

12 CHAIRMAN HENDRIE: That's a rounding of 183.

13 COMMISSIONER KENNEDY: Great.

14 CHAIRMAN HENDRIE: Manifesting the hope that having
15 reached a peak of activity on this subject in '80 in terms of
16 manpower, a couple of years application and so on, will wipe
17 it out.

18 COMMISSIONER KENNEDY: At this stage rationalization
19 for any number is very hard to give.

20 CHAIRMAN HENDRIE: The casework, it seemed to go over
21 a hump and come down.

22 COMMISSIONER KENNEDY: Why don't we leave those
23 numbers the way they are.

24 CHAIRMAN HENDRIE: I would leave them the way they
25 are. We haven't changed the '80 mark enough from EDO to make

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1 those outyears inconsistent.

2 In safeguards we ought to keep '81 and 16 people
3 if you want to keep the pressure on that operation, because
4 it goes back to 16 in '82.

5 COMMISSIONER KENNEDY: I would drop that just to
6 indicate a downtrend.

7 MR. HANAUER: Now you have got a lot more operating
8 reactors by '82.

9 Don't they have to do the operating?

10 COMMISSIONER KENNEDY: Hopefully we would also have
11 had an enormous learning curve by that time.

12 MR. HANAUER: I hope so.

13 COMMISSIONER KENNEDY: Those operating reactors will
14 come on with the systems that we have already designed as a
15 great system.

16 MR. HANAUER: They will have an amendment a year for
17 something. And there will be a lot more of them.

18 CHAIRMAN HENDRIE: We will have figured out a way to
19 process them, I hope. I don't know. 15? It is more a symbolic
20 drop than anything else. Sort of a little signal, a "yoohoo."

21 COMMISSIONER KENNEDY: That's right, keep your eyes
22 on this one.

23 CHAIRMAN HENDRIE: Now, on operating reactors --

24 COMMISSIONER KENNEDY: Systems evaluation?

25 CHAIRMAN HENDRIE: Systems evaluation, it reads 32 in

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1 '80, then 25 and 20 by agreement to show a downward trend.

2 COMMISSIONER KENNEDY: Right.

3 CHAIRMAN HENDRIE: Now we get up to operating reactors
4 which we set at 205 in '80 tentatively, which we would have
5 at 250 and 270 for the outyears. Wow!

6 MR. GOSSICK: 225 and 250?

7 They are going to have some more reactors in '85.

8 CHAIRMAN HENDRIE: But we are not going to allow the
9 licensing of operating reactors to go up sort of --

10 COMMISSIONER KENNEDY: Linearly with the number of
11 reactors. Is that going to happen?

12 MR. HANAUER: There is some tendency in that
13 direction.

14 COMMISSIONER KENNEDY: Of course.

15 MR. HANAUER: Well, this is really where you have to
16 decide, are you going in this budget, to put in '81 and '82,
17 some notion of a general reorientation of what they do. And
18 you didn't do it in casework. You left casework alone, which
19 also needs to have a reorientation of functions.

20 CHAIRMAN HENDRIE: But by leaving it alone, it turned
21 over and came down, you notice.

22 MR. HANAUER: Yes, but it is still high manloading
23 and it is still today's functions.

24 But you could have decided in '81 and '82 for both
25 casework and operating reactors that life is going to be

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1 different by, let's say 1982. And cut the hell out of it.

2 Or you could simply, in your ignorance, leave the
3 numbers more or less what they are and promise to do something
4 better next year.

5 MR. DIRCKS: Or you can take some credit for whatever
6 economies you can force into the system, but you are going
7 to be licensing -- there will be a greater jump in reactor
8 licensing in '80 to '81, than '81 to '82. The jump is 77 to
9 85 between '79 and '80 and it is 14 --

10 COMMISSIONER KENNEDY: Well, that is roughly 10
11 percent.

12 MR. HANAUER: You get about 10 a year.

13 COMMISSIONER KENNEDY: So it is a little more than
14 10 percent a year, and the increases in personnel are also
15 10 percent a year.

16 MR. HANAUER: That's right. And if you do it like you
17 do it today, then that is how it comes out. This whole budget
18 has that flaw in it.

19 So maybe you ought to go up 5 percent.

20 MR. DIRCKS: There is 14 additional reactors licensed
21 between '80 and '81.

22 CHAIRMAN HENDRIE: Would you believe 220 in '81?

23 MR. BARRY: I come out to 219.35, same calculation.

24 (Laughter.)

25 CHAIRMAN HENDRIE: I tell you, that is 15 people and

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1 you get 7 of them back out of that decrease in the SEPs. So
2 that would be 220. And then maybe 230 in '82, and you get 5 --
3 that's an increase of 10, and you get 5 of them back out of
4 the SEPs.

5 COMMISSIONER KENNEDY: That's okay.

6 CHAIRMAN HENDRIE: That's beginning to flatten the
7 thing a little bit.

8 Okay. Do you know what to do with the outyears now?

9 MR. BARRY: Yes.

10 COMMISSIONER KENNEDY: In terms of manyears, total
11 computed manyears in the standards and systems, actually how
12 many total manyears were expended in 1978, or will be?

13 MR. BARRY: In operating reactors?

14 COMMISSIONER KENNEDY: Standards and systems.

15 MR. DIRCKS: 17.

16 MR. BARRY: They claim 17.

17 MR. HANAUER: I haven't seen numbers like that.
18 They exist, but I haven't seen it.

19 MR. DIRCKS: That is what they are claiming.

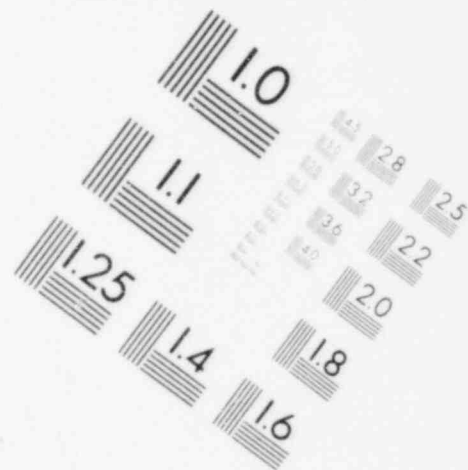
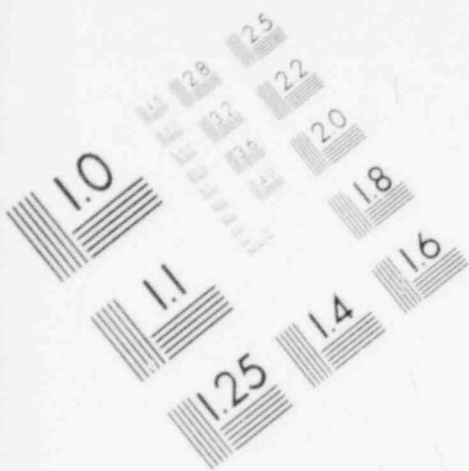
20 MR. HANAUER: That is '79, isn't it?

21 MR. GOSSICK: 790 for '81 and 787 for '82.

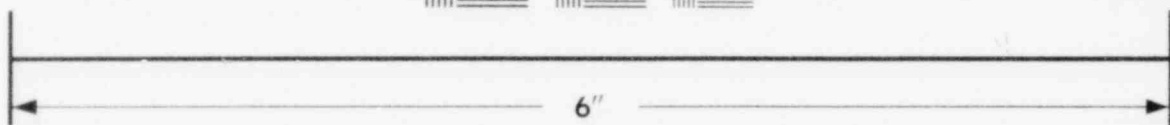
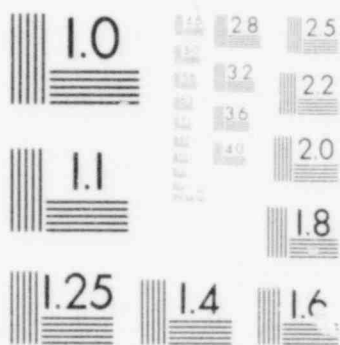
22 COMMISSIONER KENNEDY: How many?

23 MR. GOSSICK: 790 for '81, and 787 for '82.

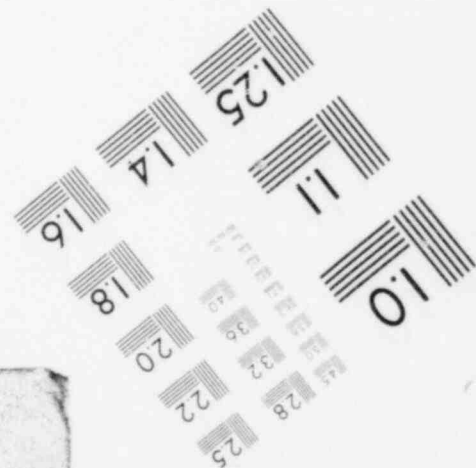
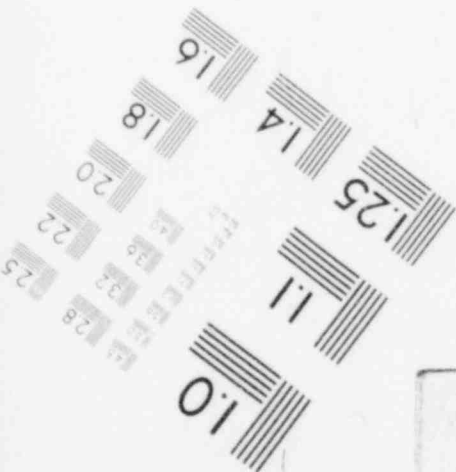
24 MR. HANAUER: Bruce, you don't have anybody there
25 with MPS?



**IMAGE EVALUATION
TEST TARGET (MT-3)**



MICROCOPY RESOLUTION TEST CHART



mm70
1 MR. COOPER: Oh, I took a couple more people from
2 training, correspondence.

3 MR. BARRY: I think we end up with an increase in
4 total of 240 people. And that is getting to look pretty good.
5 That is much closer to 200 than 281 was to 300.

6 COMMISSIONER KENNEDY: The increase was what?

7 MR. BARRY: 240, I believe, total increase.

8 MR. COOPER: That's right. We have reduced it 41
9 positions in 1980.

10 COMMISSIONER KENNEDY: That is 20 percent. That's
11 not too bad for one day.

12 MR. HANAUER: 20 percent of what?

13 COMMISSIONER KENNEDY: 200.

14 CHAIRMAN HENDRIE: I think for Monday that we ought
15 to sit down. Peter will be back with us.

16 I don't know whether the best thing to do is to
17 just take a Xerox off that, or what, so you can see what we
18 did, or get it from him.

19 COMMISSIONER KENNEDY: you are going to make up a
20 new sheet for us, aren't you?

21 MR. COOPER: Yes.

22 COMMISSIONER KENNEDY: We will have new sheets to
23 look at with the numbers.

24 MR. COOPER: We will have it for you Monday morning.
25 We will have an agency summary for you also.

1 CHAIRMAN HENDRIE: Well, we are adjourned until
2 Monday.

3 (Whereupon, at 5:35 p.m., the hearing in the
4 above matter was adjourned.)
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