



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

May 9, 1980

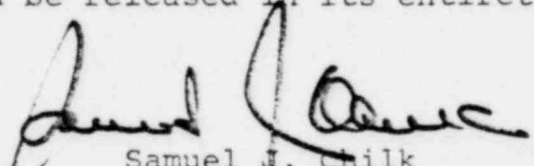
OFFICE OF THE  
SECRETARY

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

Transcript of Discussion of Final Budget Markup  
August 3, 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.

  
Samuel J. Chilk  
Secretary of the Commission

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# Transcript of Proceedings

## NUCLEAR REGULATORY COMMISSION

(FY 80 Budget)

FINAL BUDGET MARKUP

(Closed to Public Attendance)

(Exemption 9)

Thursday, August 3, 1978

Pages 1 - 67

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

FINAL BUDGET MARKUP  
(Closed to Public Attendance)  
(Exemption 9)

Commissioners' Conference Room  
1717 H Street, N.W.  
Washington, D. C.

Thursday, August 3, 1978

The Commission met, pursuant to recess, at 3:45 p.m.,  
Joseph Hendrie, Chairman, presiding.

PRESENT:

- Chairman Hendrie
- Commissioner Kennedy
- Commissioner Bradford
- Commissioner Ahearne

ALSO PRESENT:

- S. Chilk
- L. Gossick
- L. Barry
- W. Dircks
- S. Hanauer
- B. Cooper

P R O C E E D I N G S

1  
2  
3 CHAIRMAN HENDRIE: As long as you are back, Peter,  
4 I wanted to -- I talked to Vic before lunch or at lunch and  
5 wanted to report to you so that you would all know his  
6 views in an overall sense, I talked over the telephone with  
7 him so if I could talk in details about the particular  
8 offices and so on.

9 Vic's views overall are best summarized as follows:

10 It would be his preference with regard to agency  
11 total dollars to start at the OMB mark, which is \$363 million  
12 and change, to allow as appropriate for the LOFT, additional  
13 pick-up which I don't believe was in their allowance, and to  
14 make the appropriate inflation adjustments, and right at the  
15 moment I can't remember which way that goes, because the  
16 dollars that we are talking about are Fiscal '80 dollars.

17 MR. COOPER: So is theirs.

18 CHAIRMAN HENDRIE: I mean our dollars for the Fiscal  
19 '80 budget are in Fiscal '80 dollars, and I didn't know whether  
20 theirs were or not.

21 MR. COOPER: Theirs is.

22 CHAIRMAN HENDRIE: Theirs are.

23 MR. COOPER: Theirs is when they give you a budget.  
24 I think what you are thinking about is the spring review,  
25 however where they weren't.

CHAIRMAN HENDRIE: But Vic's comment was, if there



1 was an inflation adjustment that was appropriate to make,  
2 then make it, the same as one makes the LOFT \$17 million.

3  
4 COMMISSIONER AHEARNE: I thought in answer to my  
5 specific question Saul said that the LOFT pick-up was under-  
6 stood by OMB when they gave us the mark -- the estimate.

7 COMMISSIONER BRADFORD: I had thought the budget was  
8 based on something that you had said, Lynn, that the \$363 was  
9 LOFT pluse inflation, plus nothing else?

10 COMMISSIONER AHEARNE: Yes, that's right. That was  
11 the point that was made last ---

12 COMMISSIONER BRADFORD: Monday?

13 COMMISSIONER AHEARNE: Right.

14 MR. COOPER: If I can just take a minute with this  
15 inflation problem with OMB, it has been a bone for sometime,  
16 Mr. Chairman ---

17 CHAIRMAN HENDRIE: Wait, wait. There isn't an  
18 inflation problem.

19 MR. COOPER: Well, just let me clarify my answer if  
20 I might.

21 OMB would tell you they will not budget for inflation,  
22 because they believe if they budget for inflation, they will  
23 cause inflation.

24 CHAIRMAN HENDRIE: I understand.

25 All Vic is saying is that their dollars are '79  
dollars, ours are '80 or vice versa, put them on comparable

1 in order to reflect his opinion. But I believe they are  
2 on the same fiscal year basis.

3 COMMISSIONER AHEARNE: They are.

4 CHAIRMAN HENDRIE: So as far as Vic is concerned,  
5 he would start at the \$363 OMB mark and then either adjust  
6 for LOFT or not as appropriate.

7 COMMISSIONER AHEARNE: LOFT is in there.

8 CHAIRMAN HENDRIE: Do you think LOFT is in there?

9 COMMISSIONER AHEARNE: Yes.

10 Well, Saul said it was, and last Monday, one of you  
11 guys said it was.

12 COMMISSIONER BRADFORD: I'm glad you remember that.

13 MR. BARRY: Let me square the record to make sure  
14 we all understand.

15 The only comment I have had from OMB in regards to  
16 \$363 million from the OMB examiners is that they saw the mark  
17 the same time we did and they don't know what's in there.  
18 The OMB examiners, Joe Carney and company, did not provide  
19 us the \$363 million mark. It was done by BRD. Carney says  
20 he doesn't know what is in there.

21 Now, that minus 58 in people was a two percenter  
22 which he knows.

23 COMMISSIONER AHEARNE: But Peter and I recollect that  
24 last Monday, didn't you say that to get to that 33 addition,  
25 if you took inflation plus loft, you would approximately get there?

1  
2 CHAIRMAN HENDRIE: I think that's right. The  
3 inflation is 13 in change and the LOFT is 17.

4 COMMISSIONER KENNEDY: Yes, but he was not saying  
5 that that's what they said, he was saying that if you were  
6 looking for that increment, if you took those two numbers,  
7 you could come to it.

8 COMMISSIONER AHEARNE: That would fit with what Vic  
9 is saying.

10 MR. BARRY: Okay, I made a comment last week that if  
11 you took the \$17 million and you took the \$13 million for  
12 inflation at 6 percent, you would come up pretty close, but  
13 I don't know.

14 MR. GOSSICK: But Saul didn't claim any insight as  
15 to whether the OMB had that in mind with the \$363 amount, did  
16 he?

17 MR. BARRY: No.

18 CHAIRMAN HENDRIE: I think it is indistinct whether  
19 in fact our friends at the ugly building had it in mind or not,  
20 and I think Vic's point of view on total dollars then reflects  
21 as follows: \$363 or \$380 would be his marks, depending on  
22 whether you felt that OMB had already attempted to account for  
23 the LOFT \$17 million increment or you felt that OMB -- it had  
24 not occurred to the people who put the \$363 down and since none  
25 of us knows which of those cases is correct, why I report then  
both numbers on Vic's behalf.

1           COMMISSIONER BRADFORD: Except that what he also  
2 said, it sounds as though if \$380 were the right number and there  
3 were some other explanation for OMB's \$17, he wouldn't necessarily  
4 share that.

5           COMMISSIONER KENNEDY: What was that?

6           COMMISSIONER BRADFORD: I'm sorry. If OMB had a  
7 \$17 million for some purpose other than LOFT in their \$33,  
8 Vic wasn't saying he ---

9           CHAIRMAN HENDRIE: Yes he would.

10          COMMISSIONER BRADFORD: He would share that \$17 and  
11 then put LOFT in on top?

12          CHAIRMAN HENDRIE: Yes. His specific language and  
13 then I wrote it down and went back over it with him so I could  
14 try to report fairly was: with regard to total dollars make  
15 the appropriate adjustment for the LOFT Delta, the other half  
16 of the operating cost, and inflation to the OMB mark. So I  
17 think that comes out -- Vic then votes, as I say, \$363 or  
18 \$380 depending on what your crystal balling of OMB's state of  
19 mind is.

20          With regard to people ---

21          COMMISSIONER KENNEDY: I don't have a summary sheet,  
22 I don't think, which tells me what we came out with in total.

23          (Mr. Hanauer hand Commissioner Kennedy a copy of  
24 the referenced summary sheet.)

25          CHAIRMAN HENDRIE: Okay, now with regard to people,

1 Vic's view would be to go with an increment, a positive  
2 increment on people at no more than about the number we had  
3 in mind when we reported to OMB at spring review time what  
4 we thought our resource needs would be.

5 Now, that was a plus 160 people, permanent slot  
6 increment for the agency. So that's where Vic would prefer  
7 to see us end up on people.

8 MR. HANAUER: 2948?

9 CHAIRMAN HENDRIE: Yes.

10 The one place that we did talk a little bit about  
11 offices, his inclination would be for NRR, lower than the  
12 numbers we have been talking about, 65 to 75 or maybe 80, sort  
13 of range.

14 We talked briefly about some of the other offices,  
15 but most of the other people increments are plus-1, plus-2,  
16 there is one plus-24 that we are going to talk about, that's  
17 the I&E. The rest, except for NRR, are fairly small. We  
18 didn't discuss them, just noted that they were small and we  
19 weren't going to make big changes unless you wanted to deal  
20 with all of them.

21 So now, I just wanted -- since he had called and  
22 since he had discussed it, I wanted to get on the record and  
23 Vic's overall perception.

24 Now, what was simply a note that I wanted to get in  
25 as we begin to look at things so that you could have it in mind.

1           I was just getting ready to work backwards up the  
2 line of the people we have heard today and ask what your view  
3 was on the I&E thing. The preliminary mark had been to say,  
4 okay, plus-24 people is okay, and plus \$1.8 million from the  
5 '79 level seems okay. We did, however, ask where they would --  
6 what they would suggest as an option if we wanted to cut the  
7 increment in their office from 24 to 12 or even knock it out  
8 altogether. Then we have got this little sheet that says to take  
9 the first five out of Safeguards and the next five out of Fuel  
10 Facility and Materials and from there on it has to come down out  
11 of Reactor Operations. I would be glad to have comment and  
12 recommendation there.

13           COMMISSIONER BRADFORD: It looks as though you have  
14 got a volunteer here.

15           CHAIRMAN HENDRIE: Have I got a volunteer?

16           COMMISSIONER AHEARNE: You have got a volunteer, Joe.  
17 As you will get use to me, I am not quite going to  
18 answer the question you asked.

19           CHAIRMAN HENDRIE: Well, I ask bad questions, John.  
20 The thing to do is to answer a better question.

21           COMMISSIONER AHEARNE: Well, not just a better one,  
22 but I really have to look at what is the total number and then  
23 I think there are really only in my mind, two areas, people  
24 strengths that would make worth while for anyone other than  
25 maybe you and Lee to address. Most of these small changes, I



1 really don't -- I certainly don't feel it is either appropriate  
2 or that I am going to be able to dig in far enough, like  
3 1's and 2's of people.

4 CHAIRMAN HENDRIE: Talk about gold watches, the first  
5 one was going to be your assistant.

6 COMMISSIONER KENNEDY: That's why he doesn't want to  
7 talk about 1's and 2's.

8 COMMISSIONER AHEARNE: No, I think the number of  
9 people in I&E and the number of people in NRR are the only  
10 numbers, at least in people strengths, that I would be interested  
11 in looking at.

12 I guess the significant fact is that right now we  
13 are proposing something like a 240 increase over '79 and I  
14 guess something like, what, a 290 increase over what OMB was  
15 asking us for?

16 CHAIRMAN HENDRIE: Oh, they wanted us to go down 50,  
17 though we are about 300 permanent slots apart right as we  
18 stand at the moment. That is about 10 percent of the agency.

19 COMMISSIONER AHEARNE: So I think that I probably  
20 would argue that we ought to be coming in, as far as the  
21 total strengths, somewhere around 2850-2900 which would still  
22 be a lot higher than they want, but in the increase in the  
23 strength that probably you could make a strong enough case  
24 that in your judgment and our judgment that that's a valid  
25 number. I wouldn't take much in the way of cuts out of I&E.

1 I tend to somewhat sympathize and agree with Davis' point  
2 of view, but I'm not unbiased on that.

3 I feel that the NRR defense and the only real  
4 exposure that I have had is to the defense is what I have heard  
5 here, and it doesn't sound sufficiently strong that under  
6 great attack that you are really going to be able to support  
7 the substantial slug of people that are going in. So I think  
8 that that more defensible case will be that a reasoned judgment  
9 is that it needs this level of people and if OMB wants to  
10 really fight that that we will distribute where those people  
11 go, but that's the number.

12 CHAIRMAN HENDRIE: And you would target in about where?

13 COMMISSIONER AHEARNE: As I say, I would probably  
14 target in somewhere around 2900, 2850 or 2900.

15 MR. HANAUER: Could I make one point with respect to  
16 that, Mr. Chairman.

17 I have been making some numbers here with my pencil,  
18 and indeed, the 158 for NRR and the 24 for I&E are the two big  
19 ones, but the nickels and dimes add up to 58 people. So that  
20 if you want to make some cuts, you may have to get in to them.

21 COMMISSIONER AHEARNE: All I'm saying is for me  
22 personally, I don't think that -- I really don't think that I  
23 ought to get involved in adjusting numbers by 1's and 2's.  
24 There are other people, I believe who just know those numbers  
25 much better.



1  
2 MR. HANAUER: Your totals, however, are about 120  
3 below the total that is added up here.

4 COMMISSIONER AHEARNE: That's right.

5 MR. HANAUER: Some of that, presumably will have to  
6 come out of those nickels and dimes.

7 COMMISSIONER AHEARNE: Sure.

8 CHAIRMAN HENDRIE: I think John is saying he would  
9 leave it up to me and Lee to spread it around.

10 COMMISSIONER AHEARNE: That's right.

11 In making the general point that I think I&E is  
12 probably the place that should not take much in the way of cuts,  
13 because I think they are, at the moment, the most critical  
14 edge of the agency.

15 CHAIRMAN HENDRIE: Peter? Dick?

16 COMMISSIONER KENNEDY: Well, I would take issue with  
17 John a little.

18 First I would take those 5 out of that Safeguards  
19 part of I&E. Secondly, that is the last of the nickel and dime  
20 ones, because you can add up 1's and 2's, but when you get  
21 through, I would assume that you would redistribute them  
22 any way, but I am pretty persuaded and keep getting more so  
23 each day that goes by. The situation at NRR is going to  
24 deteriorate drastically if we don't do something about it.

25 Indeed, my own view is that talking about 1980 is  
too late, that we ought to be talking about some kind of a

1 supplemental in 1979 to move on the problem before it is  
2 really out of control. As a matter of fact, to put this large  
3 amount in 1980 is really not addressing the problem. It is  
4 recognizing a problem and saying we are not going to do anything  
5 about it for a year and a half. The problem is there now which  
6 means that we are doing something about it, of course, we are  
7 doing all that mickey mouse reprogramming of people all over  
8 the agency, damaging all kinds of other programs and activities,  
9 but that will all have a cost later, too, we will have to bear.

10 It seems to me that you could get at some of what  
11 John is saying, by distributing part of that big rise in NRR  
12 over those two years and going in to them and saying we have  
13 got to get more people in 1979, otherwise, I think the number,  
14 plus or minus 3, 4, 5 -- I don't know nor have any idea, but  
15 it is in that range and any significant drop from that, I think,  
16 is going to cause us big trouble. I have come to that  
17 conclusion after having listened at length to Mattson and all  
18 his crew and all of the others, explaining precisely what the  
19 nature of that backlog is, what those cases are, how many of  
20 them there are and how long they have been there.

21 I learned even last night, that our famed electrical  
22 instrumentation branch now has a little situation in which  
23 they are bringing former branch chiefs back to work on cases  
24 in order that OL applications that are lying there, which would  
25 never even be opened for 18 months can get worked on. Cases

1 that are in-house.

2 That is not doing the public's business and that is  
3 the situation we are in. We are in the business of issuing  
4 licenses, not figuring out how not to, but at the moment,  
5 we are in the business of not doing the job which the law says  
6 we are suppose to be doing.

7 COMMISSIONER BRADFORD: They are not recreating the  
8 former with risk chemistry that they did in there.---

9 COMMISSIONER KENNEDY: That's another problem.

10 CHAIRMAN HENDRIE: I don't know. I hope not.

11 COMMISSIONER KENNEDY: No, no. The names are  
12 different names.

13 But you know, it seems that each day a new rock is  
14 getting turned over, and maybe they should have all been turned  
15 over long before this, but there they are. It doesn't do any  
16 good to go back and say, we wish it weren't so, the fact is  
17 that it is and we have got to look forward not backwards and  
18 say, what are we going to do about it. Not putting the  
19 manpower on the job is only going to postpone the day of  
20 reckoning, and I think, to the public's disadvantage.

21 COMMISSIONER BRADFORD: What are the practicalities  
22 of the '79 supplemental at this point? It seems to me that  
23 it has come up before, but people thought it was fairly  
24 insignificant.

25 CHAIRMAN HENDRIE: I will tell you what will happen.

1           Let's look at the '78 supplement. It was cheerfully  
2 accepted by everybody, the Congress didn't say, "Boy, what  
3 have you got here, it's terrible." They knew when it was  
4 going to come and cleared the way. People said good, bring  
5 it down. OMB said, good, bring it through. We did.

6           The funds will accrue and the authorizations accrue  
7 just about October 1st, just about the first of Fiscal '79.  
8 If we go for a supplement in Fiscal '79, people aren't going  
9 to be very happy to see it, in the first place. I have had  
10 that made very clear to me in a number of places. But even  
11 if they were, by the time they got authorized it would be the  
12 first of October, '79 and Fiscal '80 would be about to start.  
13 That is, what you are looking at here in the Fiscal '80 budget  
14 for practical purposes is any '79 supplemental plus whatever  
15 you thought your '80 was, as a practical matter.

16           COMMISSIONER KENNEDY: In terms of when the human  
17 beings will actually show up in the House that is probably  
18 true, not necessarily but probably. You are right, practically  
19 speaking.

20           But there is another aspect of it, which is again,  
21 we talked about perceptions. If you don't think the problem  
22 is big enough to have to deal with until 1980 and that's what  
23 you are saying by putting it in the 1980 budget, then the  
24 question is: How did it get there? What are you doing  
25 between now and then?

1  
2 CHAIRMAN HENDRIE: Struggling desperately is the  
3 answer and maybe doing some further -- I don't know. We may  
4 find it necessary to do some further reprogramming than the  
5 task force sort of approach that we made with the short-term  
6 program, but if we do, why it will be further disruption  
7 in other offices and an even more pressing need to both get  
8 a grip on the way in which the work is done there and provide  
9 manpower to repair those damages on down the line.

10 My own view, as I have said before, is that there  
11 is a problem there which regrettably considerably more severe  
12 than I would appreciate, until I got to looking at it a  
13 couple months ago. I wish we had known last year what kind  
14 of trouble we were heading in to, but really, the new management  
15 was just beginning to get -- in fact, it hadn't begun to get  
16 a grip it had just been appointed. Roger Mattson took over  
17 that division just about a year ago at this time, budget review  
18 time. So you know, he has had a year to understand what he  
19 had got in that division, now he comes and says, "Oh, boy."

20 We have not got new management on top of the overall  
21 office and it is going to take Harold a while to get a full  
22 grip on that.

23 COMMISSIONER AHEARNE: Joe, if you can really make  
24 a good case, I'm not saying you can or you can't, but if  
25 you really can and I think any of us would probably agree,  
there is no chance it would only be to forward a supplemental,



1 there's no chance.

2 CHAIRMAN HENDRIE: Even if they forward it, by the  
3 time the Congress gets around to acting, why you are up to  
4 the '80 date.

5 COMMISSIONER AHEARNE: My only point is that if  
6 you can make a good case, you might consider the strategy of  
7 proposing a '79 supplemental to at least begin to atune OMB  
8 of the problem. Because otherwise they will look at this  
9 as being a very large increase from the '79 to the '80. They  
10 will have in their own mind, if it is as bad as you say it is,  
11 why haven't you come and asked us for some '79 help, even though  
12 they wouldn't give it.

13 CHAIRMAN HENDRIE: Which we wouldn't have given you?

14 COMMISSIONER AHEARNE: Right.

15 COMMISSIONER KENNEDY: That is exactly it. It is  
16 strategy. I would not expect, in practical terms, that we  
17 would get the bodies in any length of time. I think that you  
18 have less chance of getting that total package if you go for  
19 it in one slug in the 1980 budget.

20 MR. HANAUER: It might not be an altogether idle  
21 exercise even if you didn't actually get it until the start of  
22 Fiscal '80, if by happy chance the supplemental had some money  
23 in it and it were no year money that you could rent some bodies.

24 CHAIRMAN HENDRIE: Yes.

25 COMMISSIONER AHEARNE: OMB has made it very clear to

1 the agencies that there is no supplemental for '79 for  
2 anything.

3 MR. DIRCKS: We should keep one eye on the Hill, too.  
4 Those guys will say, why did OMB not give it.

5 COMMISSIONER KENNEDY: It is to be remembered that  
6 last year, at least one of those committees tried to put more  
7 dollars in precisely the area that we are talking about.  
8 Unsuccessfully, but they tried.

9 MR. HANAUER: Except they thought it was Safeguards  
10 or something.

11 COMMISSIONER KENNEDY: Yes.

12 MR. GOSSICK: No, not really. Both Dingell and  
13 Bevill, members of the Committee were pushing to put more people  
14 in licensing in order to get those damned licenses out.

15 COMMISSIONER KENNEDY: That's right.

16 MR. GOSSICK: They were asking, what did we ask OMB  
17 for.

18 CHAIRMAN HENDRIE: If I had known what kind of a  
19 sticky shape we are getting into, why I wouldn't have been so  
20 cheerful about the whole thing.

21 Well, I have no objection to discussing a '79  
22 supplemental with the people in the ugly old building to allow  
23 them to tell me to knock it off, but I think -- what I would  
24 do would be to look at in terms of sort of the overall '80  
25 number that one would want to end up in in NRR, then just

1       subdivide a piece of that out and say, how would you like  
2       to hear from us on the '79 supplemental. They would say, no  
3       way. Then you say, good, and then put it in the '80 budget and  
4       it comes out the same place.

5                As I said before, I think they are going to be  
6       very stiff this year. On the other hand, I also feel a  
7       strong need for the Commission to be in a posture of trying  
8       to provide support for this new management in NRR. They  
9       have got problems, very substantial ones. Indeed, we are going  
10      to have to be dealing with those problems before Fiscal '80.  
11      We have got them now, you know, we are not going to stand  
12      around for 15 months and just let it drift. But I don't think  
13      I am prepared to say that we are going to be so ingenuous  
14      and successful in our attack on these things that we will be  
15      able to make due without a substantial chunk of people.

16               I'm trying to sort of lead the target, I guess, and  
17      see what is practical and how much of an allowance you should  
18      make for OMB cuts and so on. I tend to come up to higher  
19      numbers, closes to the preliminary mark.

20               Peter, do you want to throw a comment in here while  
21      we are each addressing the overall subject?

22               COMMISSIONER BRADFORD: I agree with what you have  
23      said, except that I have two problems with NRR's present  
24      posture.

25               One is, as I said, in the first place it is not



1 entirely of their making, but I am still not really  
2 satisfied that we have something that we can convince anybody  
3 else of, of the importance of. I really came to realize this  
4 morning that maybe it is asking too much of NRR to make clear  
5 why it is that it is more important to put 158 people in there  
6 than to put some in with Joseph Califano or Cecil Andrus  
7 or whoever else is asking for 158 more people.

8 CHAIRMAN HENDRIE: Well, that is certainly a judgment  
9 that NRR can't make and I'm not sure that I am in a position  
10 to make either.

11 COMMISSIONER BRADFORD: No, but at the moment it is  
12 not even being articulated in terms that permit a comparison.  
13 Any way, that's the first.

14 The second is that I don't think it would show any  
15 lack of support to come in at a somewhat lower number, given  
16 first of all that that would be almost the only area in which  
17 a double figure increase is contemplated at all. Secondly,  
18 that the hiring of 158 more people would in itself be a  
19 project large enough to -- I'm not at all sure, but it could  
20 be and even if they could, it would take an awful lot of man  
21 hours in interviewing and the personnel processing away from  
22 what they would be doing in '79. So I don't think we would  
23 be open to the suggestion that the new management in NRR  
24 wasn't getting support for the number closer to 100 than the  
25 number closer to 158.

1  
2 I would not have any problem with taking at least  
3 the first of John Davis' two steps, based on what was in it.  
4 It is justifying Safeguards, but the the others, 7 or whatever  
5 it was.

6 CHAIRMAN HENDRIE: Well, the way he laid it out,  
7 take the Safeguards 5 out of Fuel Cycle Facilities and then  
8 you would get to hit the Reactor.

9 COMMISSIONER BRADFORD: Yes, that would make the  
10 cut from 739 to 727.

11 CHAIRMAN HENDRIE: Yes, but these are rather  
12 generalized propositions.

13 COMMISSIONER BRADFORD: Other than that, I'm  
14 afraid most -- the additional amount that we give up seems to  
15 have come from the NRR area, and I think that means, unless  
16 I added incorrectly, in the vicinity of between 2900 and 2925.

17 CHAIRMAN HENDRIE: Dick, you haven't spoken. Do  
18 you want to comment on overall numbers?

19 COMMISSIONER KENNEDY: Well, I think it is too low.  
20 I would go at some where close to the number that we have  
21 already got here.

22 MR. BARRY: In NRR, keep in mind that of the 158,  
23 about 125 are the technical engineers they are hiring and the  
24 rest are clerical support. There is about a 20 percent  
25 clerical support factor, so you are talking about 10 people  
a month hiring. We have done that before.

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COMMISSIONER KENNEDY: A couple of times.

COMMISSIONER BRADFORD: In the agency or in a particular office?

MR. GOSSICK: In NRR.

COMMISSIONER KENNEDY: And we did it successfully in I&E with a training program build in besides. It is admittedly difficult, but not impossible.

MR. BARRY: I guess I really hate, Mr. Chairman, to go in lower than this number right here.

COMMISSIONER KENNEDY: I would take 10 or 15 off bulk.

MR. BARRY: OMB is going to cut us and I can tell you about where they are going to cut. Even if they agree with us in principle, they are going to cut some people here. They are going to cut some of the lawyers, cut some in I&E. They will take some out of NRR.

COMMISSIONER BRADFORD: How many lawyers can they cut. They are welcome to a few, but I don't think that's going to solve the problem.

MR. BARRY: It isn't, but they are going to cut. My point is, if you add them all up, even if they think this is pretty good, they are going to take 30 or 40 people.

MR. GOSSICK: They will work on those 1's and 2's real good.

MR. BARRY: Yes, they will probably reduce Admin a little

1 bit. They will probably leave Cliff Smith alone.

2 COMMISSIONER AHEARNE: By the time you get through  
3 OMB and the Congress, how much of a cut do you expect?

4 MR. BARRY: Probably 25 percent.

5 COMMISSIONER AHEARNE: Twenty five percent left or? ---

6 MR. BARRY: Twenty five percent less than we have  
7 here.

8 COMMISSIONER AHEARNE: I mean of the increase?

9 MR. BARRY: Of the increase, of the 243.

10 COMMISSIONER AHEARNE: So you would estimate getting  
11 about 180 if you went in with 240.

12 MR. BARRY: You could get lower. So I just hate to  
13 cut it any lower.

14 COMMISSIONER KENNEDY: We are going to have to go  
15 in and explain the situation in NRR. I think the question is  
16 likely to be on the Hill and more likely than not, the question  
17 is going to be: Have you got enough people in here to take  
18 care of that situation? I guess I wouldn't want to be the  
19 guy to say: "Well, we are not sure," particularly, when  
20 you have got both Bevill and Dingell and I suspect Mr. Udall  
21 may well be interested too.

22 COMMISSIONER BRADFORD: That's the first question, and  
23 I think the answer there is fairly clear that to the best of  
24 our knowledge, we probably don't, we would like more. But then  
25 the second question that seems to me we haven't been able to

1 pull together is: what happens if you don't take care of the  
2 present situation, you only take care of three-quarters of  
3 it or half of it.

4 COMMISSIONER KENNEDY: I think they can answer that.  
5 I think those backlogs are going to be there, now, what's the  
6 meaning of that backlog?

7 COMMISSIONER BRADFORD: Yes.

8 COMMISSIONER KENNEDY: What does it mean not to have  
9 done that? Those questions need to be answered and you are  
10 absolutely right. I guess I don't see how -- I wouldn't  
11 carry that to the next step and say if you want to try to  
12 balance that somebody may, in his own mind, balance that against  
13 great national priorities.

14 COMMISSIONER BRADFORD: We can't do that. All I am  
15 saying is that before I would get in to a fight in which I  
16 say that this should be one of the great national priorities  
17 and I don't know how to compare it with anybody else's  
18 priorities, you have got to have a better feel than I do now  
19 as to just why this one can claim to be ---

20 COMMISSIONER KENNEDY: What aren't you going to do,  
21 and what's the cost if not doing it?

22 COMMISSIONER BRADFORD: Yes.

23 COMMISSIONER KENNEDY: Sure.

24 I would stay pretty close to this number myself,  
25 taking in to account Peter's point that we have got to --  
obviously we have got to be able to lay that case out in very



1 clear terms. I'm convinced that it can be done, the case is  
2 there. If it turns out in the process they can't do it,  
3 we will change the numbers. I am confident that they can,  
4 in fact, do it.

5 MR. BARRY: If you look at the history of NRR over  
6 the last three years in a given, you discount the office  
7 request in that number.

8 COMMISSIONER KENNEDY: You do what?

9 MR. BARRY: You discount the office request to a  
10 certain degree, because everybody wants to put something in  
11 there. They asked for 73 people in '77, more and they got  
12 zero. The Commission supported them by 36 and OMB cut them  
13 to zero. There was no increase.

14 In '78, they asked for an increase of 97, the  
15 Commission reduced them by 65 and OMB took them down ---

16 COMMISSIONER BRADFORD: The Commission reduced it to 65  
17 or by 65?

18 MR. BARRY: By 65.

19 COMMISSIONER BRADFORD: So we left them with 32?

20 MR. BARRY: You left them with 24.

21 COMMISSIONER BRADFORD: 65 away from 97?

22 MR. BARRY: 32, I'm sorry. You are right, 32.

23 -- And they received 24 less. In other words, they  
24 got 8.

25 COMMISSIONER KENNEDY: But the OMB argument, if I

1 recall it, was the same argument that the Commission was  
2 using, an argument which seemed irreputable in all of the  
3 discussions we had with NRR in extenso here in this room and  
4 that was: How can it be that your workload increases as the  
5 input to the process decreases? You know, that sounds like  
6 an irreputable argument. If you recall, we then looked hard  
7 at the manpower utilization data which I remember Ben Rusche  
8 spreading out all over those great big charts on that wall  
9 map behind Steve. We sat here by the hours looking at all those  
10 data. The only trouble was those base data were wrong, and  
11 that's where the problem was all the time. So we were drawing  
12 from two seemingly reasonable conclusions. We were coming to  
13 the reasonable inputs, we were coming to the wrong  
14 conclusions because one of the inputs was wrong.

15 I think the best thing to do is get that out of the  
16 air, get it over with.

17 COMMISSIONER BRADFORD: If you had to articulate  
18 the erroneous input, what would it be? I think that everybody  
19 agrees that the manpower tracking system was either non-  
20 existent or ---

21 CHAIRMAN HENDRIE: It wasn't non-existent, but the  
22 target goals which were established as the manpower costs  
23 during the various work elements -- the number of work  
24 elements comes out of an agency-wide objection of what the  
25 workload will be in the shop that is argued about. It is not

1 an NRR fabrication, that is they contribute to those, but it  
2 is agency-wide and it gets fairly decently scrubbed. The BRG  
3 looks at it and the case projections then are broken down in to  
4 work elements and you multiply by the manpower costs of the  
5 particular element and then those things just hadn't been  
6 changed since 1973 or '74 and the shop had, in several places,  
7 several large chunks. The shop hadn't been adequately well  
8 controlled, and those manpower costs had gone up. People  
9 were taking longer to do things, do work elements because they  
10 were hooking in more detail within the work element. Part of  
11 this is driven by the pressures downward from the boards and  
12 the Commission to be more careful from the Boards and the legal  
13 counsel to annunciate more completely the bases for everything  
14 which means the guy has to do a more detailed analysis and  
15 so on.

16 So that is clearly a pressure which has been reflected  
17 in this shop. There is also a natural inclination of reviewers  
18 to find it interesting and professionally satisfying to go  
19 ahead and dig deeper, calculate more for themselves and  
20 spend an extra two days on each of those circuit diagrams  
21 and that has also contributed, I'm absolutely sure in some  
22 of the shops.

23 So the manpower costs have gone up, but the resource  
24 requests that have been made by the office are still on the  
25 basis of the old manpower costs.



1                   COMMISSIONER KENNEDY: And even those resource  
2 requests which in terms of the new manpower data were lower  
3 than it might have been or should have been, probably, even  
4 those, then, were cast against the basic mythology which says  
5 your workload ought to be going down, not even remaining  
6 constant because the amount of work coming in to the house  
7 is decreasing.

8                   CHAIRMAN HENDRIE: Well, at least their office  
9 request was based on the agency case, the agency workload  
10 projection.

11                   COMMISSIONER KENNEDY: Yes, but we kept saying, first  
12 they work requesting the number of people, but the manpower  
13 on the current basis would have suggested they request.  
14 That's the first problem. So they came in with a lower  
15 request than they might have done on the basis of those cases.

16                   B, when they got it in here, the reaction was: why  
17 are you requesting any increase at all, it theoretically ought  
18 to be decreasing because your workload ought to be decreasing.  
19 Well, it wasn't, in fact. What was happening was you didn't  
20 really get a handle on the number of these amendments that  
21 were sitting there. The question never really arose as a  
22 major factor. Am I right, Bill? I can't recall that as  
23 being a major factor.

24                   MR. DIRCKS: I don't think the amendments became  
25 an issue up until this year. In fact, when we went in to the

1 '78 reprogramming exercise and NMSS was the one asking for  
2 positions, we, in our own natural way turned to NRR as a means  
3 to feed some positions in to NMSS. When Ed Case came in  
4 with Mattson and Stello to make his case, we were just  
5 flabbergasted that he was going to ask for additional people.  
6 But they did have a very strong case and they did have these  
7 numbers to back up this amendment problem.

8 I think, as the Chairman pointed out, they have  
9 changed, they have new management over there, people have  
10 opened up closets and found a lot of skeletons in there, now  
11 they are beginning to get rid of them.

12 COMMISSIONER BRADFORD: The other item which emerged  
13 recently as to the extent to which the operating license  
14 reviews take longer or are taking longer than in the past  
15 than the CP reviews and I'm not sure that that is as it should  
16 be, but for a lot of these plants that is true and therefore,  
17 the workload isn't decreasing at all.

18 COMMISSIONER KENNEDY: That's right.

19 COMMISSIONER BRADFORD: The operating license are  
20 the correct measures.

21 MR. DIRCKS: They are applying things they have  
22 learned now on the basis of "now" versus when they went to  
23 the CP review three or four years ago.

24 CHAIRMAN HENDRIE: That's perfectly rational. When  
25 you get that final design, why not you have got all the goodies

1 to work on that you didn't have before.

2 I think, actually the manpower cost increases over  
3 what were used to make resource estimates last year and going  
4 back to when they were first formulated, that the change in  
5 those for CP work elements is markedly less than it is for  
6 OL's.

7 COMMISSIONER KENNEDY: But still, there is a change.

8 CHAIRMAN HENDRIE: There is a change, there is an  
9 increase, but it is not factored to two and a half.

10 MR. DIRCKS: I guess, from my understanding, they  
11 have a firmer handle with the -- they are applying the standard  
12 review plan now to the CPs, they know what it takes. When you  
13 take your standard review plan and apply it to plants coming  
14 up for operating licenses to which that plan hadn't been  
15 applied two or three years ago, you are beginning to discover  
16 quite a bit of area to review.

17 CHAIRMAN HENDRIE: Yes.

18 MR. DIRCKS: And the research program is kicking out  
19 new information and the operating plants are feeding more  
20 information back into the licensing process. So I think there  
21 is firm ground in saying that these reviews are more detailed  
22 and they are covering a lot more territory.

23 MR. GOSSICK: One other thing that I think is really  
24 critical that we by '80 will be able to say that we are really  
25 going to be able to put to bed is this list of generic items

1 and keep that under control.

2 As I said the other day, I would hope by '80 some  
3 of these efforts which we have been hearing about, the  
4 recategorization of the things, looking at them from the risk  
5 approach, might find an easier way or a less manpower expensive  
6 way of doing that, but until that -- that's really an anchor  
7 around our neck as far as all of the critics and everybody ---

8 COMMISSIONER KENNEDY: And it has been every single  
9 budget year, we have gone in to the same question.

10 MR. GOSSICK: And Congress is very well aware of that  
11 list and they keep getting reminded of it by all of our friends.

12 COMMISSIONER KENNEDY: Each year we went over this and  
13 it is not a criticism of them. Again, it is a reflection of  
14 the output being based on unsatisfactory input data, that each  
15 year we calculate it and conclude with "X" number of people  
16 they would be able to devote a wide percentage of those  
17 specifically to working on those generic items, and that would  
18 bring the curve down and cut the backlog by a percentage. Each  
19 year it has turned out at the end of the year that hasn't been  
20 true. The amount of work actually done on them has been  
21 considerably less than anticipated and the consequences has  
22 been -- with new inputs the consequences has been the backlog  
23 has been bigger at the end than it was in the beginning,  
24 although the reverse was the expectation.

25 I am convinced and those are the reasons for my

1 concern about cutting in to this very far.

2           The second suggestion that I think they are going  
3 to give it to us, I think that the whole factual situation  
4 ought to be laid out clearly in the air, and if they don't  
5 want to give it to us, at least they can give us some  
6 impression of where they think we ought to be going, then we  
7 can sort of debate that if we want to.

8           MR. COOPER: This will be a major issue whether it is  
9 slightly under 100 or 158. It is the prostitute -- you know  
10 who you are, we don't know what the price is. I'm not sure  
11 the visibility of the problem will go away. Anything over  
12 5 or 10 in NRR becomes this issue.

13           COMMISSIONER KENNEDY: That's right.

14           If the issue is going to be joint, it seems to me  
15 we ought to be then joining it with a number that we think is  
16 going to deal with it, not something that is less. If we say,  
17 well, we don't really think it is going to help much, but we  
18 don't think it is going to solve the problem, so we will at  
19 least approach it or something like that. I think that would  
20 be better.

21           Or to go in and lay out what we think it is going to  
22 take to do it. I also recognize that this is a hell-of-a  
23 year to be talking about that.

24           MR. GOSSICK: Yes, we should have programmed this  
25 problem a couple years ago.

1 MR. DIRCKS: Yes, every year is a tough one.

2 COMMISSIONER KENNEDY: Yes, this is a particularly  
3 tough one and it is likely to get worse.

4 (Commissioner Ahearne left the meeting at 4:45 p.m.)

5 CHAIRMAN HENDRIE: It is hard to find the squeeze  
6 point on these things.

7 MR. BARRY: I think that you will agree that we  
8 have got a substantial problem in NRR, 158 versus \$1.5  
9 versus 132 versus 118. This will make no difference to OMB  
10 in terms of credibility on our part. I think we have scrubbed  
11 it to the point where we can show a quantification in each  
12 decision unit. About the only one that I can see that you  
13 could bet on the come one way or the other would be on Early  
14 Site Reviews you have got about 10 or 12 resources in there.  
15 You get absolutely no Early Site Reviews and you really want  
16 to say, how many did you get this year? and the answer is,  
17 none. How many did you get last year? One. Take those out,  
18 but I think I would prefer to have OMB take them out.

19 COMMISSIONER KENNEDY: We are up there on the Hill  
20 telling everybody in the world what an important thing Early  
21 Site Review is, now when we go to the legislation on that part,  
22 people are going to be running in here on those Early Site  
23 Reviews.

24 COMMISSIONER BRADFORD: Yes, but that is one area  
25 where you can be fairly confident that as long as there are



1 no inputs -- no new inputs there are not going to be any  
2 Early Site Reviews.

3 MR. BARRY: But that is the only area that I have  
4 looked at that you can debate. Everything else you can  
5 quantify.

6 Now, you can argue about the manloading and say,  
7 well, I just don't understand why it has gone two and a half  
8 times, I don't believe you, but you can debate that one, and  
9 some of the others, the backlogs. I think we can put a  
10 pretty story together, frankly.

11 COMMISSIONER KENNEDY: That's usually not your line.

12 MR. BARRY: I remember the chairman who proceeded  
13 Bevill on our House Appropriations Committee, the last year  
14 we went before him, he complained to the Chairman that OMB  
15 had done such a tough job on the agencies that it doesn't leave  
16 them anybody to cut out any more. I think there is a syndrome  
17 there too, that if we do too tough a job there isn't anything  
18 left for OMB to cut out and they have to cut. They just  
19 simply have to go back to their directors and say, we have cut  
20 it down.

21 COMMISSIONER BRADFORD: Now, are you saying that if  
22 we came in at the OMB mark they would still they had to cut us  
23 a few positions?

24 MR. BARRY: Do you mean the minus 58?

25 COMMISSIONER BRADFORD: Yes.

1 MR. BARRY: No. What I am saying if you went in  
2 with 100, they would cut you a certain percent. If you went  
3 in with 200, they would cut you a certain percent.

4 MR. GOSSICK: They would probably be so doggone  
5 suspicious that they would sure look like the devil.

6 COMMISSIONER KENNEDY: I'll bet you that there is  
7 an even chance, anyway, Peter, in answer to that question, that  
8 they would, because there would be a whole new basis on which  
9 at that point the total Federal budget would be cast at a lower  
10 level and the inflationary effort and all the rest, and they  
11 would take another five percent off the top; if everybody in  
12 the Government came in at their mark, they would take another  
13 5 or 10 percent off the top as an inflation measure and take it  
14 out. This is the normal art of budgeting, I think.

15 MR. BARRY: Yes. To answer your question, if you  
16 actually went in with that mark, they would shake their heads  
17 in disbelief and probably they would say we can probably  
18 reduce that even more.

19 COMMISSIONER KENNEDY: Let me ask you a question:  
20 If you think you can live with that, what would you do with  
21 10 percent less? Then they would start making their calculations  
22 on the cost in terms of the national programs.

23 In my judgment, that's not an excuse for going in for  
24 a number that we don't need. I am just convinced that we need  
25 the number, and I think it is a mistake to go in with something



1 less than the thing that represents a hard-core and  
2 justifiable case. I think that's a far cry, the number we  
3 have here from the office requests. It seems to me that the  
4 total office requests ---

5 MR. DIRCKS: And I don't think those office  
6 requests were put together irresponsibly. I think each office  
7 director ---

8 COMMISSIONER KENNEDY: Did a job.

9 MR. DIRCKS: -- did his job and it has gone through  
10 several levels of cuts here, so you are getting down pretty low.

11 COMMISSIONER KENNEDY: That's right. I think we  
12 have a number here that given the nature of the problem as it  
13 has been described, is a justifiable one that we ought to put  
14 forward and then do our damndest to make clear the nature of  
15 the problem that we are trying to deal with.

16 CHAIRMAN HENDRIE: I have a lot of problem seeing  
17 where to do it.

18 (Commissioner Ahearne returned to the meeting at 4:48)

19 CHAIRMAN HENDRIE: I guess that I would recommend  
20 that we look to see if we could squeeze a little bit more out  
21 of the NRR previous mark, but it's a long way down to -- to  
22 come down to the -- the 716 level is my view at this time.  
23 I think it is going to have to sustain -- inevitably going  
24 to get some more cuts on it. I think it needs cut a little.

25 COMMISSIONER AHEARNE: What total number are you  
coming out with, Joe?

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CHAIRMAN HENDRIE: About 3,000.

COMMISSIONER KENNEDY: Take those 5 out of I&E and the rest out of them out of NRR.

CHAIRMAN HENDRIE: He didn't sound very desperate about the 10 in Fuel Cycles and the way the response comment was made, I found that a little trouble focusing on.

MR. GOSSICK: That is five in the Fuel Cycle. A total of 10, Safeguards.

CHAIRMAN HENDRIE: Offhand, I have a feeling that this one needs a substantial lead, and I don't think that the request itself has got to have more or less validity in terms of the sort of treatment that it gets on the basis that you treat it on a Delta of 210, any less than 210 than it will at 160. Any shade less than that is what I'm inclined to think about. I would recommend something around the 3,000 mark.

COMMISSIONER BRADFORD: There were times like this on the Maine Commission where we would just add the numbers up and divide by the number of commissioners.

(Laughter)

COMMISSIONER KENNEDY: I have always thought that's the way the commissions worked.

COMMISSIONER AHEARNE: In the conference committees they use to add the two numbers up and divide.

COMMISSIONER BRADFORD: Add the two numbers up then

1 divide? Oh, I see.

2 CHAIRMAN HENDRIE: Well, I have already done that.

3 COMMISSIONER AHEARNE: Joe, I'm going to pass at this  
4 stage, because I just -- I wasn't involved enough in the  
5 earlier stages to really know how solide, all that history  
6 that you are going through on NRR and everything, I just have  
7 to pass. I'm looking at it strictly as a budget presentation.

8 CHAIRMAN HENDRIE: Well, I think it is a useful view.

9 COMMISSIONER KENNEDY: Well, it is a view, John,  
10 as I say which I would share. You know, were we looking at  
11 a situation that was as it seemed to be in previous years, I  
12 would be right on your page. But we have been presented with  
13 a set of circumstances which are drastically different and I  
14 think if you don't actually approach them, we are not going  
15 to get a second chance at it, but for sure, we are going to get  
16 beat over the head for not having done it.

17 One other question that we are going to have to face  
18 and that is, when somebody, Mr. Dingell or Mr. Bevill or some  
19 other very kind soul who is interested in the program before  
20 him says, well, now, tell me about this? How about this  
21 backlog work? Are you getting this cleaned up? You know, we  
22 say, well, we are doing our best. They say, well now, what  
23 did you ask OMB for here? Well, we ask them -- is that enough?  
24 Now what are you going to answer?

25 If you didn't even ask for what you thought was

1 enough, then I think he has reason then to ask you, well,  
2 what are you there for?

3 COMMISSIONER AHEARNE: But Dick, someone is also  
4 going to ask enough for what?

5 COMMISSIONER KENNEDY: Sure. And that gets to  
6 Peter's question which needs to be answered.

7 COMMISSIONER AHEARNE: That's right, and that's why  
8 I hesitate as so far, I am really fuzzy on that. That's why  
9 I would have come out and said well, 2900 is a number that  
10 probably could be defended and I'm told that there are about  
11 60 to be cut out as it goes through the process and then  
12 2960 would be the going number.

13 COMMISSIONER BRADFORD: With regard to your last  
14 comment the average is about 2980, if we go back in at 2900  
15 the average is going to be about 2960. Do you kind of like  
16 this method.

17 (Laughter)

18 COMMISSIONER AHEARNE: I could just hear you  
19 explaining it, though, to John Dingell that we got this  
20 number ---

21 CHAIRMAN HENDRIE: Well, at least the arithmetic  
22 would be straightforward. We have 5 Commissioners and here  
23 are the numbers for each of them ---

24 COMMISSIONER BRADFORD: Well, it sounds like a  
25 crazy thing to do, but as a matter of fact, when you are talking

1 about a collegial agency and a numerical question, there  
2 are worse ways to arrive at what the average is.

3 MR. COOPER: 2998 is an excellent number.

4 COMMISSIONER KENNEDY: The Chairman said that was  
5 what he paid for his suit and we disagreed with him because  
6 he always looks impeccable.

7 MR. GOSSICK: What was the number we went in with  
8 last year? 2995 was the number I think I recommended to the  
9 Commission.

10 MR. COOPER: Yes, I think that is right.

11 (Mr. Hanauer departed the meeting.)

12 CHAIRMAN HENDRIE: What did you add up, Peter, 2950?

13 COMMISSIONER BRADFORD: I put in two 2950s after  
14 I discovered with my own earlier estimation for positions was  
15 cut to 2520 and I was thinking we should make it 2948.  
16 Dick had said 3028 and you had said 3,000.

17 COMMISSIONER KENNEDY: I said around 3,000. I  
18 certainly was going to take those 5 out of the I&E.

19 CHAIRMAN HENDRIE: Let's see, if we attempted to come  
20 down under 3,000 ---

21 If we took 50 out of this group or 48 that would  
22 run it to ---

23 COMMISSIONER KENNEDY: Where would you take them?

24 CHAIRMAN HENDRIE: Come down somewhere between 30 and 40  
25 in NRR and take those 10 out of I&E and the difference between

1 30 and 40, we would take a look down these 1's and 2's and  
2 see whether we want to spread that out.

3 COMMISSIONER KENNEDY: Of that many, the 30, where  
4 are you going to take them out of, NRR?

5 MR. GOSSICK: You need 29 people to get under 3,000.  
6 Is that the number you are shooting for, just under 3,000?

7 CHAIRMAN HENDRIE: I was going to come down to  
8 something like 2990, Peter's average is a little lower than  
9 that. How about 2990. - Could I sell that?

10 COMMISSIONER BRADFORD: Not as an average.

11 (Laughter)

12 I will recommend 2990 to you and the bulk of those  
13 is going to have to come out of NRR. You might squeeze one  
14 out of Standards and one out of Admin and so on. If I get  
15 three or four that way, you can get 10 out of I&F without  
16 stabbing them too badly. We did talk about holding that 715.  
17 The way Ernie and I talked about it, he promised to try.

18 COMMISSIONER AHEARNE: The trouble is that if you  
19 tell them it would be your promise to try, if you go in and  
20 say, now you give me ---

21 CHAIRMAN HENDRIE: They only hear the promise part.

22 COMMISSIONER AHEARNE: If you go in and say if you  
23 give me 61 spaces, I promise to try ---

24 COMMISSIONER KENNEDY: That's a commitment.

25 MR. DIRCKS: Well, Ernie's argument, we ask him about



1 holding it at that level, and he said this is a level budget.  
2 All it is, you have got some because of the new reactors coming  
3 on line, it is a level budget as far as his eyes is concerned.

4 COMMISSIONER AHEARNE: I don't think they will give  
5 you too much trouble other than the vendor inspector.

6 MR. DIRCKS: Oh, I think they will go after that  
7 again.

8 CHAIRMAN KENDRIE: They will whack 35 on that.

9 MR. DIRCKS: But the struggle to get from the 3028  
10 and the 2990 is that more of a symbolic gesture? I can see  
11 cutting if you can see some glaring areas that you feel as  
12 though should be cut from the matter that was presented.

13 COMMISSIONER BRADFORD: Well, it is not a matter of  
14 a glaring error that I can pounce on and say, numerically that  
15 just doesn't add up, but the error to me remains trying to go  
16 in to OMB with 158 person increase and a very limited ability  
17 to explain what will happen if we don't get it.

18 Now, eventually that is problem, but it also could  
19 apply to 100 persons.

20 MR. DIRCKS: But as we go through these reviews  
21 they usually shapen up and this is not the first time around  
22 for this cast of characters.

23 COMMISSIONER KENNEDY: It is for one of them.

24 MR. DIRCKS: Oh, it is the one young ---

25 MR. COOPER: Clara Storb is a new OMB examiner who

1 took Ina Garten's place.

2 CHAIRMAN HENDRIE: In fact, I think I may have met  
3 her.

4 MR. DIRCKS: I think we could carry as good a case  
5 over there with the 2990.

6 CHAIRMAN HENDRIE: It's my feeling that's probably  
7 the case, on the other hand, there is a mutual feeling across  
8 the Commission that some of the numbers ought to be a shade  
9 lower and we are sort of groping towards reaching some mid-  
10 range.

11 COMMISSIONER BRADFORD: Joe, maybe you could keep to  
12 the Commission as a whole. If you go in with 3028 and there  
13 are two or three of us saying 2900 is the right number, then  
14 we will be a lot worse off than we were with 80 or 90 or  
15 a few mumblings or something.

16 CHAIRMAN HENDRIE: Mumbling is the way we operate  
17 around here, so I regard that as a perfectly healthy situation.

18 COMMISSIONER KENNEDY: Some of us, now let's be  
19 careful about that, Mr. Chairman.

20 MR. GOSSICK: As far as going back to Harold Denton,  
21 though, if we tell him that he has got to caught up another 28  
22 or whatever that number is as minused by whatever 1's and 2's  
23 we might agree on, you said to look elsewhere and that's all  
24 we could do ---

25 COMMISSIONER KENNEDY: It comes to 25 or so.

1 MR. GOSSICK: Okay, yes. His first item on his  
2 deeper cut was 28 in Casework, but I guess we say spread it  
3 however you want to, but tell us how you would propose to  
4 absorb that. He has to rerack this, right?

5 CHAIRMAN HENDRIE: I think ---

6 COMMISSIONER KENNEDY: He is going to rewrite it and  
7 he is going to take a lot of it out of those advanced reactors.

8 MR. GOSSICK: Yes, probably.

9 CHAIRMAN HENDRIE: I think it ought to be reracked,  
10 and I'm not sure whether they will stand absolutely dead certain  
11 on the operating reactors and the safeguards.

12 MR. GOSSICK: All I'm bringing up is that I have  
13 got to tell Harold, is there a basis for it or is this just  
14 a number that he has got to accommodate. It is not that you  
15 are picking out specifics and saying cut.

16 CHAIRMAN HENDRIE: We are not going to go down the  
17 line and say cut one here, minus one there, take 20 out of there  
18 and so on. What we are groping for is a collegial position  
19 and the collegial position is coming out lower than the 158  
20 previously cited.

21 COMMISSIONER BRADFORD: At some point, didn't the  
22 operating reactor figure contemplate cleaning up the amendment  
23 backlog in one year?

24 MR. DIRCKS: It was to prevent the backlog from  
25 increasing.

1                   COMMISSIONER BRADFORD: And over what period of  
2 time was it going to be eliminated?

3                   MR. DIRCKS: With this mark, they were going to live  
4 with a backlog of 1100 amendments in the backlog.

5                   COMMISSIONER BRADFORD: This was part was designed  
6 to make sure it didn't get any worse?

7                   MR. DIRCKS: That they didn't build it up any more.

8                   CHAIRMAN HENDRIE: That was the 805 mark, wasn't it?

9                   MR. GOSSICK: I think so.

10                  CHAIRMAN HENDRIE: Let me see if I can find it.

11                  COMMISSIONER BRADFORD: I remember the ELD presentation  
12 being geared up to having us pick up 500 or some with that  
13 amendment backlog each year ---

14                  CHAIRMAN HENDRIE: The EDO mark which was plus 189,  
15 they would have run the backlog down at their current manpower  
16 costs and seemed income rate in '83. Now, they say if you  
17 gave us 158 extra man years, why then we could whomp the whole  
18 thing in '80.

19                  COMMISSIONER BRADFORD: Okay, so they were going to  
20 do the backlog for three years then.

21                  CHAIRMAN HENDRIE: Yes, the EDO mark was to speed up  
22 to 3 years at 189, we took -- we have come down about 30  
23 people -- 30 man years in '80 below that to the number that  
24 corresponds to to 3028. But you don't know what the  
25 distribution ---

1           COMMISSIONER BRADFORD: And that was 11 out of  
2 operating reactors.

3           CHAIRMAN HENDRIE: It was 11 out of operating  
4 reactors. Let's see if there is any further indication.

5           What he says is if they can -- they have already in  
6 their previous numbers they had assumed some improvement in  
7 efficiency of processing in order to -- when this number was  
8 216 they were going to kill the backlog at 3 years with the  
9 assumption of some improvement in efficiency. What they are  
10 saying in there is okay, if you take us on down to 205 then we  
11 could hold the backlog constant if we improve the efficiency.

12           COMMISSIONER BRADFORD: What he says, of course, in  
13 that, he says the backlog would increase it 205, but I guess ---

14           CHAIRMAN HENDRIE: No. What he is saying is if the  
15 efficiency of working -- that is if your unit manpower cost  
16 comes down by the same ratio, why, you are right back where  
17 you started.

18           COMMISSIONER BRADFORD: But I mean he was going to  
19 clear it up in '83 and then you take 11 positions away, you  
20 not only would result in bringing it up to '86, but it would  
21 result in never ---

22           COMMISSIONER KENNEDY: Is that right?

23           COMMISSIONER BRADFORD: That's what it seems to say  
24 here.

25           COMMISSIONER KENNEDY: That's the implication, but I

1 don't think that's what it is suppose to mean.

2 COMMISSIONER BRADFORD: I don't see how it could.

3 CHAIRMAN HENDRIE: That doesn't sound right. It must  
4 be something like 50 ---

5 COMMISSIONER BRADFORD: I didn't mean to get us  
6 very far afield, I wasn't quite sure that operating reactors ---

7 CHAIRMAN HENDRIE: I don't think it is a matter of  
8 fact, and that's why I say that the marks here is not one in  
9 which we say, okay on operating reactors and cut this a  
10 certain number, but rather to NRR that the Commission, in  
11 order to reach the position that has come down on the overall  
12 office numbers and it is up to the chiefs to reconfigure this  
13 as they think they can make their best case to support that  
14 number. I think they will give it high priority because of  
15 the great difference paid out in the office to keeping on top  
16 of the current and necessary and urgent problem of the operating  
17 machines.

18 I think their explanation about taking cuts, then,  
19 out of things like standard design reviews, stretch out CP  
20 a little bit and try to hold the OL schedule so that plants  
21 aren't held up on fuel.

22 I am recommending 2990 to you, and I don't know  
23 whether I can get ---

24 COMMISSIONER KENNEDY: Aye.

25 CHAIRMAN HENDRIE: -- agreement. That's up 10 from



1 what you were proposing.

2 COMMISSIONER BRADFORD: That's the average waiting  
3 for the Chairman.

4 COMMISSIONER KENNEDY: I hold aye.

5 COMMISSIONER BRADFORD: That is certainly a number  
6 which postured as a rough Commission consensus. Some numbers  
7 will be higher and some lower.

8 MR. GOSSICK: Could I recommend that you just do that  
9 10 from I&E and 28 from NRR, that leaves 130 for NRR, and I  
10 swear, I think your chances of getting the dribs and drabs,  
11 that is the 1's and 2's here that you have got a pretty good  
12 argument for are such that -- you have got at least a good  
13 case for getting those. I guess I would recommend that we  
14 try to lessen the 28 cut in NRR by going and taking away some  
15 other spaces that have been well justified and I think looked  
16 at very hard.

17 COMMISSIONER KENNEDY: I'm not sure what you are  
18 saying.

19 CHAIRMAN HENDRIE: What it boils down to is that the  
20 negotiating position is apt to be stronger if we keep the  
21 dribs and drabs as they are, because each one of those was  
22 fairly scrubbed and a good case can be made for them.

23 COMMISSIONER KENNEDY: I see, so he doesn't want to  
24 take those.

25 MR. GOSSICK: I'd rather not, because I'm afraid if I

1  
2 give those up, I'm going to lose big on NRR and if I lose  
3 big on NRR, then I've lost everything. I would rather let  
4 the NRR case fly on its own. We have either got a case that  
5 we can sell or we don't.

6 That still leaves 130 increase which is a sizeable  
7 chunk of folks.

8 MR. DIRCKS: And if we get the dribs and drabs and  
9 we don't get all of NRR ---

10 MR. GOSSICK: We may have to reprogram.

11 CHAIRMAN HENDRIE: Well, adjust the manning of the  
12 agency offices to get the essential work of the agency done.

13 COMMISSIONER BRADFORD: You will still have to  
14 convince Victor of this, he's been known to write a separate  
15 letter.

16 COMMISSIONER KENNEDY: Let him.

17 MR. GOSSICK: We need to make a couple of other  
18 little decision on this personnel sheet.

19 CHAIRMAN HENDRIE: Okay. 2990 is final, NRR is ---

20 MR. COOPER: -- Down 28 to 746. I&E is down 10 to  
21 729.

22 CHAIRMAN HENDRIE: Everybody else stands.

23 MR. BARRY: We need to discuss one more little thing  
24 on this piece of paper before we leave.

25 On your last line MPA, the last office on the ---

COMMISSIONER KENNEDY: What is that?

1 MR. BARRY: Management Planning Analysis, MPA.

2 You notice you are reducing it from 83 to 79.

3 The question is why and why MPRDS. So what we really ought  
4 to do is keep that level based on '79 and move those four people  
5 out and where do you want to put them? Wherever you transfer  
6 them is going to reduce your base line growth in that office.

7 (Commissioner Bradford left the meeting.)

8 MR. BARRY: The point is you don't need the MPRDS  
9 requirement, that's 4 people. That is the reason you are  
10 going from 83 down to 79.

11 CHAIRMAN HENDRIE: I understand what you are saying,  
12 but I'm not sure whether I enjoy the negotiating position of  
13 doing that as against having one office in the agency some  
14 year that actually showed a decrease in the overall numbers.  
15 I'm inclined to think the latter situation may be novel enough  
16 to be attractive.

17 COMMISSIONER KENNEDY: Well, when we did away with  
18 the agency we did away with offices.

19 MR. GOSSICK: Yes, we consolidated.

20 MR. BARRY: Well, the question is they will say  
21 why did you come down and we will have to tell them why we  
22 came down.

23 COMMISSIONER KENNEDY: Well, what's wrong with that?

24 CHAIRMAN HENDRIE: Greater efficiency.

25 MR. BARRY: Okay, then why don't you come down in '79

1 and help yourself in NRR and move those four slots up to  
2 NRR.

3 CHAIRMAN HENDRIE: Wait. What's that now?

4 MR. BARRY: If you don't have that requirement any  
5 longer ---

6 COMMISSIONER KENNEDY: I see what you are saying.

7 MR. BARRY: -- so you are going to reduce it four.  
8 You don't have it now, you don't have it in '79 and that's  
9 the reason you are reducing in '80.

10 CHAIRMAN HENDRIE: What I'm saying is that by Fiscal  
11 '80 I expect to improve the efficiency of that office in the  
12 ratio of '83 over '79. I don't know. One could do it the  
13 other way, Lynn, but I wonder if it is really --- wait a minute.  
14 I know what he is doing.

15 COMMISSIONER KENNEDY: All he is trying to do is make  
16 it asier.

17 CHAIRMAN HENDRIE: If you will let me ---

18 COMMISSICNER KENNEDY: I know exactly what he is  
19 doing and I really don't have any preference, I think it is  
20 a great idea and it doesn't bother me in the least either way.

21 MR. BARRY: The other question is the dollars.

22 CHAIRMAN HENDRIE: Let's see, by whomping out  
23 28 people -- 38 people we have -- what do we figure per body?

24 MR. COOPER: There will be about \$22,000 because we  
25 only count them about three-fourths of the year. About \$22,000.

1 MR. BARRY: Then we will take some Admin Support out.

2 MR. GOSSICK: \$836, 000 between people.

3 CHAIRMAN HENDRIE: It is in the change. It leaves us  
4 at about \$395,000.

5 COMMISSIONER KENNEDY: As contrasted with \$363?

6 MR. COOPER: Yes.

7 COMMISSIONER KENNEDY: Is LOFT in the \$363, we don't ---

8 CHAIRMAN HENDRIE: That's right.

9 COMMISSIONER KENNEDY: Well, that makes it \$380.

10 CHAIRMAN HENDRIE: I was going to do that. They will  
11 undoubtedly do it the other way.

12 COMMISSIONER AHEARNE: Well, you argument not based on  
13 where or where not LOFT is, because if you say that you have  
14 assumed that it was not and therefore added it, they will  
15 immediately say however it was, so we will subtract it.

16 MR. COOPER: Based on '79, based on '79 not where  
17 OMB was.

18 COMMISSIONER AHEARNE: Right. I think that if I go  
19 back to what you said before you were at around \$330, if you  
20 add LOFT and inflation it gets around \$360 so then the question,  
21 I think really that you have to address in going in is how  
22 much additional monies do you want to ask for. If you think  
23 you can go for 10 percent above, then you go for the \$390 mark.

24 MR. BARRY: If you have made the case of LOFT and if  
25 they were real smart guys and they did put LOFT and inflation in

1 there that takes up up to the \$363 figure.

2 Now, you say you have got a people increase that they  
3 were unaware of, that's \$8 million. You have got waste  
4 management, \$8 million. I'm sure they didn't have that in  
5 there. You have improved safety, that's \$4 million. They  
6 didn't have that in there. Document retrieval, \$2 million,  
7 BWR, CCFL and D-3 is another \$6 and a half million.

8 COMMISSIONER KENNEDY: You can also take some of this  
9 Research out of here.

10 MR. BARRY: So there's you new item except they didn't  
11 comprehend this.

12 CHAIRMAN HENDRIE: You say you would take \$331 ---

13 COMMISSIONER KENNEDY: That gets you up to \$390.

14 MR. BARRY: That gets you within \$6 million and 390  
15 and then there are other things too. little things that they  
16 wouldn't know, but if you took John's premise that they --  
17 even whether they thought of it or not you just gave them  
18 credit for it and they will say, gee, you guys are smart,  
19 and all you have to do is add these new things, and they all  
20 stand on their own. The people debate, the waste management  
21 debate, the improved safety, they are saying, to hell with  
22 Congress, if they want it, but they will have to address these  
23 issues.

24 CHAIRMAN HENDRIE: How much is the improved safety  
25 program that we are getting?



1 MR. BARRY: \$4.2, \$4.3.

2 CHAIRMAN HENDRIE: \$4.3 in the improved safety.

3 What else?

4 MR. BARRY: Increase in waste management is about  
5 \$8.3.

6 COMMISSIONER AHEARNE: And the additional people.

7 MR. BARRY: And the additional people, what, we just  
8 took out about \$7.4 and the combination of BWR, CCFL and 3-D  
9 that you heard today, the Deltas, \$6.5 Our document retrieval  
10 system goes up \$2 million.

11 CHAIRMAN HENDRIE: Let's see, the Research Delta ---

12 MR. BARRY: There are some other things in Research  
13 there that I just haven't put on this piece of paper, little  
14 things. Their risk assessment goes up and a lot of things  
15 go up. The trouble is that I haven't sorted out how much of  
16 the up is inflation and how much of the up is increased programs.  
17 We will want an exercise on that.

18 CHAIRMAN HENDRIE: What's the 3-D and BWR counter-  
19 current total in '80?

20 It is like \$16.5 isn't it?

21 MR. BARRY: Yes, it is right up there. It was just  
22 the Delta that I gave you.

23 COMMISSIONER AHEARNE: The Deltas that you gave are  
24 the set asides?

25 MR. BARRY: Yes.

1           CHAIRMAN HENDRIE: No, because the 3-D was already  
2 allotted \$10 million.

3           MR. GOSSICK: The 3-D is \$3.1, the BWR is \$3.4 with  
4 a total of \$6.5.

5           CHAIRMAN HENDRIE: Now, we are spending essentially  
6 what? At the moment we don't have a 3-D program we are doing  
7 some planning using some loose change from the Research budget.

8           MR. GOSSICK: Yes.

9           CHAIRMAN HENDRIE: In '79 there may be a few  
10 dollars spent, but relatively -- I don't think it is all that  
11 much.

12          MR. BARRY: In '79 there will be over a million.

13          CHAIRMAN HENDRIE: Yes, but that is down in the  
14 change level in that program.

15                 In Fiscal '80 they want authorization to commit  
16 to these major instrument development and production jobs and  
17 they want, as I read them, they want \$13.1 for that, I think.

18                 I am looking for things that are not in the '79 effort--  
19 in the program through '79 that are new ventures to see what  
20 all these things are. I want to find those to determine the  
21 reason for the budget popping up. I think inflation is  
22 inflation, the LOFT Delta is ordained in the stars. The  
23 Congress wants an improved safety research program. My own  
24 opinion is that it is a good idea at a modest level. It  
25 helps things, but it is a mandated program for the Congress and

1 if Senator Hart has his way it will come off. If if anybody  
2 thinks the Commission's waste management program ought not  
3 to go up, why, you know, I would be glad to introduce them to  
4 the people on the Hill and let him talk to them about those  
5 things. This Research stuff, the 3-D program which I think  
6 comes out of \$13 and change ---

7 MR. GOSSICK: \$13.1.

8 CHAIRMAN HENDRIE: That was a correct number then,  
9 \$13.1 and the BWR -- our share of the BWR countercurrent which  
10 is \$3.4, so there is \$17.5 million is in lieu of someplace  
11 between \$50 and \$300 million worth of major new experiment.  
12 If the EBTF was prepared to go with that and we are making  
13 due with the other stuff.

14 It was \$50 million at one point then it got to be  
15 closer to \$100 million overall ---

16 COMMISSIONER KENNEDY: \$50 million was an already  
17 set aside figure.

18 MR. GOSSICK: They had a plug number in the budget,  
19 that's right, for '79. What was it, \$40 million?

20 MR. BARRY: What's that?

21 MR. GOSSICK: For EBTF, remember when they had a  
22 plug number. \$35 or \$40 million.

23 MR. COOPER: \$36 or something like that. I don't know.

24 COMMISSIONER AHEARNE: I'm not that familiar with the  
25 research project to know if this is a valid comment. The normal

1 difficulty with items that go on to an increase is that  
2 that makes the assumption that everything that is in the base  
3 is equally valuable.

4 CHAIRMAN HENDRIE: And it needs to stay there.

5 COMMISSIONER AHEARNE: So we argue that here are  
6 some new things that are coming in and the critics usually say,  
7 but aren't there some old things that are going out.

8 MR. GOSSICK: This year for the first time we are  
9 going to be able to stand up and give them a whole list of  
10 stuff that has been finished and isn't back now out. We haven't  
11 been able to do that up until this point.

12 COMMISSIONER AHEARNE: So I guess again, coming in at  
13 the end and just looking at if from the budget side, I can see  
14 the \$360 and then obviously you have got a host of other  
15 items that are really defendable on themselves and the \$395  
16 just seems like a high number and offhand, I would have  
17 expected being able to argue on a \$380 number, roughly, as  
18 being a -- about \$385. But that again is just looking at it.  
19 from a budget side without an understanding of the inners of  
20 the program that would really be required to make an estimate.

21 MR. BARRY: The 3-D in '79 increases more than a  
22 million. It increases \$3 million to a total of \$7.9.

23 CHAIRMAN HENDRIE: The what?

24 MR. BARRY: The total for '79 for 3-D would be \$7.9  
25 million, so it increases about \$3 million over the original

1 Saul produced for \$10 million, I don't find that.

2 COMMISSIONER KENNEDY: It has got all gold-plated  
3 items.

4 MR. BARRY: Except all that safeguards stuff.

5 COMMISSIONER KENNEDY: Take \$5 million out of there  
6 and he wouldn't know it was gone. This is what I would  
7 recommend. Then take \$5 million off program support, across  
8 the agency.

9 CHAIRMAN HENDRIE: What is the program support total?

10 MR. GOSSICK: In total?

11 MR. COOPER: Other than research.

12 MR. COPPER: Somewhere around \$275 million.

13 COMMISSIONER KENNEDY: \$275 million?

14 That couldn't be. Impossible.

15 CHAIRMAN HENDRIE: Let's see, program support is  
16 about -- here on an approximately a \$380 total out of the  
17 spring projection, you won't have it there, but I've got it  
18 here is about \$48.

19 MR. DIRCKS: \$48 million?

20 CHAIRMAN HENDRIE: Yes.

21 MR. DIRCKS: I count \$90.

22 MR. BARRY: You are talking about technical  
23 assistance?

24 CHAIRMAN HENDRIE: Yes.

25 COMMISSIONER KENNEDY: Oh, you are just talking about

1 schedule. I thought it was a million, but it is \$3 million.  
2 Originally they planned to spend \$4.2 for '79, last year.  
3 Now that is up to \$7.9 due to the front-end loading. They  
4 had to reprogram. Then it goes up another \$5 million in '80.

5 CHAIRMAN HENDRIE: Have we got it reprogrammed in  
6 '79?

7 MR. BARRY: MTF.

8 CHAIRMAN HENDRIE: Let's see, if we wanted to  
9 squeeze a little bit on dollars, I suppose one could go through  
10 and do a sort of light skim off the top of technical assistance,  
11 the more significant technical assistance pieces and that would  
12 help a little bit, but the great bulk of the contract dollars,  
13 program support dollars and so on are in Research so that is  
14 inevitably the place you will look when you begin to look for  
15 significant dollars.

16 At some place, wasn't there a program support line  
17 by office? It is not in these sheets.

18 MR. BARRY: In your subsheets to your summaries  
19 there was a program support, travel and training line.

20 (Commissioner Ahearne left the meeting 5:28)

21 CHAIRMAN HENDRIE: So it is not in these sheets  
22 we had here, right?

23 MR. BARRY: No.

24 CHAIRMAN HENDRIE: If we tried to take 10 out of --  
25 that would knock the total dollars back a bit. That list that



1 technical assistance.

2 MR. BARRY: Yes, that's about right.

3 CHAIRMAN HENDRIE: And then another \$180-\$190 million  
4 in Research. I'm looking at the spring review numbers.

5 (Commissioner Bradford returned at 5:35)

6 COMMISSIONER BRADFORD: Are you talking about  
7 dollars?

8 CHAIRMAN HENDRIE: We are fighting hard to get it down  
9 from \$410 here. How about \$395 as a compromise.

10 COMMISSIONER KENNEDY: How did we get down to \$410?

11 COMMISSIONER BRADFORD: I want you people to know  
12 that based on my long regulatory experience that I object to  
13 taking averages at this time.

14 (Laughter)

15 COMMISSIONER KENNEDY: That you didn't initiate?

16 CHAIRMAN HENDRIE: Now, I don't know how close the  
17 spring numbers come out to the current ---

18 MR. DIRCKS: I think out of the \$395, I think \$99  
19 million is in your technical assistance.

20 Out of the \$395.5 that you accrued in dollars, you  
21 subtract out personal benefits and compensation, then you  
22 subtract out \$196 million and you come up with about \$99 million.

23 CHAIRMAN HENDRIE: Yes, yes, but you have got those  
24 whomping administrative support things.

25 MR. DIRCKS: You mean the Admin stuff?

1                   CHAIRMAN HENDRIE: Yes, you have got \$30 million in  
2 there. Then you have got \$10 million worth of equipment.

3                   MR. COOPER: Which we treat as program support.

4                   CHAIRMAN HENDRIE: We were looking at trimming that  
5 a shade down. We will probably get killed, but I can waive  
6 hands in a not unreasonably way over the dollar total sort of  
7 looking like this.

8                   If I start out with \$331 for '79 the first thing  
9 you get is \$30 million for LOFT and inflation, that is, these  
10 are costs that you wouldn't have if you took the '79 program  
11 and just carried it level, these things would be in addition  
12 nonetheless. So that gets the inflation and gets the LOFT  
13 level.

14                   Then there are some programs that have just got to  
15 come in to being because the Congress wants them and they  
16 need to be done, and such things. Improve safety research,  
17 there is an \$8 million in waste management and that's kind of  
18 hard to argue that that's not a good sort of thing to do. The  
19 people we've struggled over are worth about \$7.4, I believe  
20 and that gets you up to \$381.

21                   If then then look on in to research the increased --  
22 I guess it really ought to be not the full 3-D cost, but the  
23 increase over the -- what was it?

24                   MR. BARRY: They show a \$4.9 increase in 3-D over  
25 '79, but some of that is inflation and the set aside which says,

1 hey, we have got to put more in the ---

2 CHAIRMAN HENDRIE: What's their '79 projected  
3 expenditure?

4 MR. BARRY: For '79, \$7.9 I think.

5 CHAIRMAN HENDRIE: So that leaves about \$5.2 in  
6 increase 3-D activity in '80, then another \$3 and change,  
7 \$3.4 in that joint project and I have got another \$8.6 to  
8 add on there. I can now show \$389.6 on a basis, which I think,  
9 is not irrational. I may get killed for it, but it is not  
10 irrational.

11 That is, you are saying, look, the 3-D program and  
12 our share of the BWR proposition is a sort of a tradeoff  
13 against a large experiment that we were talking about last  
14 year. As John points out, you won't get much in the way of  
15 car fare over in that place. We have come down off the  
16 possibility of feeling we really needed quite a large  
17 experiment and these rather smaller ones spread over several  
18 years are a substitute and I don't think that's an irrational  
19 sort of thing. So on the \$390, without having struggled, it  
20 seems to me too desperately hard and what I'm going to end  
21 up proposing to you is that we spread around \$5 million  
22 reduction over the preliminary mark and anchor around \$390.

23 COMMISSIONER BRADFORD: That's, I think all right  
24 with me. I wouldn't -- I have a difficulty that doesn't amount  
25 to much in dollars, at least not on your item, but I do think

1 we may be accepting more of a financial burden than we should  
2 out of that kind of project, and it is not -- granted, others  
3 are providing hardware and what have you, but it doesn't seem  
4 to me this thing can be solved today that the two or three  
5 discrete projects that we had a real interest in, that we are  
6 going to be running at the test facility is such that we ought  
7 to be bearing 42 percent of the hardware costs on it.

8 Now, it is hardly even a discussion we are giving  
9 concerning the \$395 million budget, but in terms of the way  
10 we approach joint research projects this one and maybe the BWR  
11 one, I think we ought to think again whether the NRC really  
12 belongs in it at the 33 or 40-some percent level or 10 to 20  
13 percent would be more appropriate in proportion to what we  
14 would really want to get back that wouldn't otherwise be done.

15 COMMISSIONER KENNEDY: Which one was that?

16 CHAIRMAN HENDRIE: This is the BWR where we and  
17 EPRI and ---

18 COMMISSIONER KENNEDY: Oh, this is the EPRI and GE  
19 project.

20 CHAIRMAN HENDRIE: Yes.

21 COMMISSIONER BRADFORD: We have a very similar one,  
22 I guess, with EPRI and Westinghouse on BWR problems?

23 CHAIRMAN HENDRIE: Probably.

24 MR. GOSSICK: There is one, yes. I don't know exactly  
25 what the status is.

1 COMMISSIONER BRADFORD: Similar but bigger, I think.

2 CHAIRMAN HENDRIE: In the systems engineering area,  
3 we have tried to move in that direction, as a matter of fact,  
4 by way of cutting our own costs and also in getting a strong  
5 presence in the laboratory in effect.

6 COMMISSIONER BRADFORD: I didn't mean to divert  
7 very far, I'm just saying I agree with you on the \$390 and I  
8 think you are fair in writing your analysis of the build-up  
9 from the \$331 to \$390 is impeccable and if we get in to  
10 trouble on this one, it is going to be some zero based analysis.

11 CHAIRMAN HENDRIE: Yes, as John points out, the  
12 little assumption that I slide it in right off the bat without  
13 mentioning it. \$331 is -- all of that has to be done in '80.

14 I recommend we settle on that.

15 COMMISSIONER KENNEDY: That sounds fine.

16 CHAIRMAN HENDRIE: Now, with regard to the places to  
17 nip.

18 MR. BARRY: Your biggest increase in tech support  
19 is in NRR -- I'm sorry, outside research.

20 COMMISSIONER KENNEDY: We were talking about \$5  
21 million. I would take it out of Research.

22 MR. BARRY: Yes, in tech assistance, apart from  
23 Research the biggest increase is in NRR, \$6 million.

24 If you take out all the people we are taking out,  
25 I'm not sure that it makes sense to keep all this extra money.



1 MR. DIRCKS: Well, on the other hand, if you are  
2 cutting the people ---

3 CHAIRMAN HENDRIE: You had better leave some money  
4 so they can get out there and buy help.

5 MR. EARRY: They had better administer the money.

6 MR. GOSSICK: Recognizing that we are going from  
7 \$16.940 to -- \$16 and a half million to \$22 and a half million  
8 in NRR, so we are not cutting anything. We are just adding  
9 the hell out of it.

10 MR. BARRY: Oh, yes. It is the biggest increase  
11 in tech assistance we have ever had.

12 MR. GOSSICK: My numbers come out to \$59 million  
13 in tech assistance for the four program offices versus \$47  
14 million last year. So we have got an increase of \$12 million.

15 CHAIRMAN HENDRIE: That is a hell-of-a big increase.

16 MR. DIRCKS: And a big chunk of that would be  
17 waste management.

18 MR. GOSSICK: The increase: \$2 million in waste  
19 management.

20 CHAIRMAN HENDRIE: I wouldn't mind recommending  
21 that a million of the \$5 reduction be taken out of that  
22 technical assistance budget, because I think the increase in  
23 there is substantial and I think it will get whacked down the  
24 line.

25 On the other hand, sort of from a tactical standpoint



1 whether it is better off to maybe not do that.

2 MR. GOSSICK: What has our history been, we very  
3 seldom have touched tech assistance have we?

4 MR. BARRY: They didn't last year.

5 CHAIRMAN HENDRIE: But it didn't go up like this  
6 last year either.

7 MR. BARRY: It didn't go up like this, and a lot  
8 of it was in NMSS.

9 CHAIRMAN HENDRIE: What's the Delta in it?

10 MR. GOSSICK: \$12.475 to \$59.192.

11 CHAIRMAN HENDRIE: That's a healthy 25 percent.

12 But of the \$12, how much is in waste? How much is in NMSS?

13 MR. GOSSICK: NMSS the increase is \$2 million. It  
14 goes from \$6.2 in '79 ---

15 CHAIRMAN HENDRIE: Only two parts of the \$12 are  
16 NMSS.

17 MR. GOSSICK: Are waste. The NMSS total tech assistance  
18 goes from \$13.589 to \$17.602, an increase of \$4 million.

19 COMMISSIONER KENNEDY: What is the other two? Are  
20 those as big or just piddley stuff?

21 MR. GOSSICK: Fuel cycle -- let me find it here.

22 MR. BARRY: I&E goes up a million and a half for  
23 more direct measurement. That's a pretty good one, they won't  
24 fuss with that one much. It is radiation, and it is not  
25 studies, so that is a good one.

1           COMMISSIONER BRADFORD:  If you are only cutting  
2   \$5 of the \$395 the allocation is largely symbolic, but I  
3   guess you could take a piece out of tech assistance and the  
4   rest out of research.

5           COMMISSIONER KENNEDY:  Why don't we just tell them  
6   to take a million dollars out of the tech assistance and let  
7   them decide where to do it.

8           MR. DIRCKS:  A million dollars up and down the line.

9           MR. GOSSICK:  We can spread a million with no  
10  problem at all.

11          COMMISSIONER KENNEDY:  And take the rest of it out  
12  of research.

13          CHAIRMAN HENDRIE:  Yes, and tell Saul that his list  
14  of gold watches here, the Commission is not directing him to  
15  do go down this list.  For God's sakes, tare up the White House  
16  sidewalk.

17          MR. GOSSICK:  Bruce tells me if we take out \$5 in  
18  program support, take \$6-700,000 for people cost then we will  
19  reduce travel also, because that is a function of people,  
20  we will be down under \$390.

21          MR. COOPER:  That's \$4 from Research and \$1 from  
22  tech assistance.

23          CHAIRMAN HENDRIE:  And it will take us down to  
24  \$389?

25          MR. COOPER:  \$39-something, yes.

1                   CHAIRMAN HENDRIE: Why don't we let the number settle  
2 where it will settle and have that splendid authenticity  
3 that a number like \$393.61.

4                   Well, fine.

5                   (Whereupon the meeting was concluded at 5:50 p.m.)  
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