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PUBLIC NOTICE BY THE
UNITED STATES NUCLEAR REGULATORY COMMISSION'S
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

DATE: Wednesday, November 15, 1989

The contents of this transcript of the proceedings of the United States Nuclear Regulatory Commission's Advisory Committee on Reactor Safeguards, (date) Wednesday, November 15, 1989, as reported herein, are a record of the discussions recorded at the meeting held on the above date.

This transcript has not been reviewed, corrected or edited, and it may contain inaccuracies.

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
SUBCOMMITTEE ON REGULATORY POLICIES AND PRACTICES

Nuclear Regulatory Commission
Room P-110
7920 Norfolk Avenue
Bethesda, Maryland

Wednesday, November 15, 1989

The Committee met, pursuant to notice, at 9:30 a.m.,
the Hal Lewis, Chairman of the Subcommittee, presiding.

SUBCOMMITTEE MEMBERS PRESENT:

- H. LEWIS, Chairman
- J. CARROLL, Member
- W. KERR, Member
- C. MICHELSON, Member
- F. REMYCK, Member
- C. SIESS, Member
- D. WARD, Member

1 ALSO PRESENT:

2 G. QUITTSCHREIBER, Cognizant ACRS Staff Member

3 R. HOUSTON, RES

4 H. PASTIS, NRR

5 F. GILLESPIE, NRR

6 D. PERSINKO, NRR

7 E. BECKJORD, RES

8 J. WILSON, RES

9 T. KING, RES

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P R O C E E D I N G S

[9:30 a.m.]

I N T R O D U C T I O N

MR. LEWIS: Let's begin the meeting.

I have to read this thing.

The meeting will now come to order. This is a meeting of the Advisory Committee on Reactor Safeguards Subcommittee Regulatory Policies and Practices.

I am Hal Lewis.

Members in attendance are Bill Kerr, Carl Michelson Forrest Remick, Chet Siess, Dave Ward -- who won't stop talking, Jay Carroll, and the designated Federal rep is Gary Quittschreiber, who is right next to me.

The purpose of the meeting is to discuss integration of the regulatory process.

The rules for participation for today's meeting have been announced as part of the notice of the meeting previously published in the Federal Register on October 30, 1989.

A transcript is being kept for the open portions of the meeting and will be made available as stated in the Federal Register notice.

It is requested that each speaker first identify himself or herself and speak with sufficient clarity and volume so he or she can readily be heard.

We've received no written comments or requests to

1 make oral statements from members of the public.

2 So, let's begin.

3 What will happen is that Wayne Houston and a group of
4 the staff will show up here somewhere around a quarter to 10,
5 or something like that, and they're schedule on the agenda to
6 being talking to us at 10 o'clock about our letter of April 17,
7 1989, which is a plaintiff cry in the wilderness for
8 integration of the NRC activities.

9 I really don't know what they're going to say, but
10 there has been a recent -- they're here now -- there has been a
11 recent staff paper on integration of the regulatory process
12 which, in principle, we all have. Is that right Gary?

13 MR. QUITTSCHREIBER: Yes.

14 MR. LEWIS: And which I have read and I assume you've
15 all read.

16 As you recall, we've complained a great deal about
17 lack of coherence and integration, but we've been a little thin
18 on recommendations on how to do something useful about it, and
19 the Commission has, in a sense, called our bluff and asked us
20 to be constructive.

21 I've drafted a possible draft letter, which is,
22 again, long on complaints and a little thin on positive
23 recommendations, and the purpose of today's meeting, as I
24 understand it, is to put together our views and try to converge
25 on something specific we could recommend to the Commission, and

1 we'll talk about this at the full Committee meeting over the
2 next few days.

3 So, I think that the thing to do now is to ask the
4 Subcommittee members if they have anything to add or anything
5 to say before we let the staff try to explain their sins.

6 MR. KERR: I have nothing at this point.

7 MR. REMICK: I have nothing.

8 MR. CARROLL: I would only comment that your letter
9 lacked coherence.

10 MR. LEWIS: When I re-read it yesterday, I found it
11 hard to believe that I had written anything that long, because
12 I normally don't. I suspect that when it got here, the normal
13 Washington processes fleshed it out or something like that and
14 contributed incoherence. That's probably not true.

15 MR. WARD: I think that's probably an unfair slur.

16 MR. LEWIS: No, I would say it's certainly not fair
17 and it's probably not true.

18 I think, then, if we are in a listening mood, we
19 should ask the staff to bring us up to date on what they have
20 been doing.

21 I did read the October 18th memo, Taylor to Carr, on
22 an integrated approach on regulatory matters. My own personal
23 response -- and this is simply personal -- is that it's even
24 more coherent than my letter, and I had trouble distinguishing,
25 in that document, between integration and coherence, which is a

1 distinction it would be useful to make, and also, between
2 integration of what you might call regulatory philosophy and
3 integration of schedules. Every organization has to
4 integration its schedules once it's decided what to do, but
5 this seemed a little heavier, in my view, on integration of
6 schedules than on guiding philosophy.

7 It pointed out that, in the end, for many things,
8 CRCR provides the coherence, but didn't deal with the question
9 of the basis on which they do that, except for the Commission's
10 5-year plan.

11 So, I'd invite the staff to educate us about this,
12 and who is taking the lead on the staff? Are you, Wayne?
13 You've got the floor.

14 MR. HOUSTON: Good morning. It's a pleasure to be
15 here once again.

16 MR. WARD: Are you going to start out lying?

17 MR. HOUSTON: It's always a pleasure to be here.

18 [Slide.]

19 MR. HOUSTON: I will spend a few minutes talking
20 about some things, at least in some sense, perhaps associated
21 with the concept of an integrated approach on regulatory
22 matters, but I would say, at the outset, and as we've said in
23 the paper that you just referred to, although we think we've
24 taken some steps over the last several years to try to begin to
25 bring some element of coherence into the process, we recognize

1 that we probably have a long way to go. At the tail-end of my
2 remarks here, I will have some observations to make, which, in
3 my mind, have something to do with the difficulty, if you will,
4 of moving very rapidly in the area of achieving coherence.

5 MR. LEWIS: Just to interrupt for one second -- of
6 course, nobody expects anybody to move rapidly on anything, but
7 just so I understand, are you representing your organization?
8 Are you representing EDO? Are you representing the staff
9 today? In terms of coherence, it would be nice to know.

10 MR. HOUSTON: That's a good question. I'm not sure
11 how to answer it. I think, really, to address this subject
12 properly with respect to the staff, you should have the EDO
13 here. I cannot say that I represent the entire staff or the
14 EDO. I can say that the paper that you alluded to was
15 concurred in and signed by the Acting Executive Director for
16 Operations. The implication there is his concurrence in what
17 was said.

18 It is for that very reason, however, that we've
19 attempted to make sure that we have other members of the NRC
20 staff here that can, more properly than I, address certain
21 questions and certain issues which we'll touch upon -- from
22 NRR, Frank Gillespie. Mr. Beckjord, Director of the Office of
23 Research is here, and Jerry Wilson and Tom King, from our
24 office, were responsible for one of the papers that is
25 addressed in this presentation on the integration of some of

1 the policy statements that is of, I think, particular interest
2 to you.

3 I expect to have Jack Heltemes here -- I don't see
4 him yet -- who, although not, strictly speaking, a member of
5 the CRGR, as the Deputy Director of AEOD, will be in a
6 position, I think, to address any questions that you may have
7 in that area.

8 So, it's kind of a mixed bag.

9 Is that a sufficient answer to your question?

10 MR. LEWIS: Oh, yes. It's, in fact, a fascinating
11 answer, because on the subject of coherence, it means that the
12 staff has to bring many voices in order to speak to the
13 subject, and I find that interesting.

14 [Slide.]

15 MR. HOUSTON: I have just a few viewgraphs here which
16 basically are tied to the October paper that you referred to on
17 the subject of integration of regulatory matters.

18 By way of background, we recognize that the ACRS
19 wrote a letter in March -- actually the date is wrong here, it
20 was March 15th, 1988, not 1989 -- and in the subject heading of
21 the letter were the words identifying the need for greater
22 coherence among new regulatory policies.

23 This recognized the severe accident policy statement,
24 safety goal policy statement, at that time standardization
25 policy, advanced reactor policy. It recognized the existence

1 or the prior existence of a program called ISAP, the integrated
2 safety assessment program, about which we will say a couple of
3 words a little bit later, and it reflected a recognition of a
4 process for resolving unresolved and generic safety issues.

5 So it sort of covered the waterfront in a way, in
6 that particular letter addressed to the Chairman.

7 The staff was subsequently asked to respond to that,
8 and did so in SECY 89-178 in June of 1989, with the subject
9 heading of Policy Statement Integration. And as I indicated a
10 moment ago, if you have some questions regarding that paper,
11 Tom King and Jerry Wilson from the Office of Research, who were
12 primarily responsible for preparing that paper, are here to
13 respond to that.

14 Subsequently, by letter dated April 17th, 1989, the
15 ACRS wrote a brief paragraph, again sort of reminding the
16 Commission of its concern for and apparent lack of integration
17 on regulatory matters, and this October 18th, 1989 memorandum
18 to the Chairman was the staff's response to that, as a result
19 of a request by the Commission.

20 [Slide.]

21 MR. HOUSTON: A particular focus of that paper,
22 although it may not come through very clearly and perhaps you
23 did find it lacking in some coherence -- perhaps that is a
24 question of organization -- it does reflect a number of
25 different activities that the staff is engaged in and, to some

1 extent, reflects the efforts on the part of the staff to carry
2 out something in the way of integration.

3 Perhaps the best example of that that can be pointed
4 out is in the process of dealing with generic safety issues,
5 which I will talk about again in a moment.

6 The latter letter referred to the potential for sort
7 of wasted use of both NRC and industry resources by dealing
8 with problems on what you have also referred to, I think, in
9 another context to dealing with things on a piecemeal basis,
10 and you have not been able to observe any integrated or
11 coherent approach.

12 I don't necessarily mean to use those two terms
13 synonymously, and one of the questions, I think, that we have
14 is just what do you mean, what does the ACRS mean by an
15 integrated approach and a coherent approach?

16 We do, of course, have access to dictionaries, so
17 that we know what the dictionary says about the meaning of the
18 words, but I did feel that it was desirable to point out with
19 respect to the matter of the impacts on resources, with respect
20 to the NRC and the staff resources, the starting point each
21 year is in the development or the revision of a five-year plan
22 updating it each year, and which is, of course, really part of
23 the budget process, and it is in that process in which there is
24 strategic planning and from which the Commission provides the
25 staff policy and program guidance.

1 Now it is true that a lot of the substance of the
2 five-year plan deals with projected accomplishments and
3 schedules, and the amount of staff effort that would be
4 involved in carrying out those accomplishments, and the number
5 of budget dollars that would be involved.

6 But in the policy and program guidance part of it is
7 the essential starting point each year for the assignment of
8 priorities for the allocation of NRC resources.

9 One thing I might point out as an aside on here, this
10 is not mentioned in the paper, and I don't know whether this is
11 a problem or not, but I think it may be of interest. Each year
12 also in the major program offices, operating plans are
13 prepared, which should reflect the projected accomplishments in
14 the five-year plan.

15 One of the problems that is created, however, in this
16 process is that the operating plans are out of phase with the
17 fiscal year, because they are tied to the SES contracts for
18 management personnel in the staff, and so these contracts run
19 from July 1st to June 30th; whereas, as you know, the fiscal
20 year runs from October 1st to September 30th. So that they are
21 always one quarter out of phase with what is in the five-year
22 plan in the budgeting process.

23 MR. LEWIS: Just out of curiosity, when the
24 government switched its fiscal year from July 1st to October
25 1st, there was a 19 whatever it was T, which was a one quarter

1 year budget that enabled the government to make its switch.
2 That's, of course, impossible with these contracts? That is,
3 they can't be put in synchronization?

4 MR. HOUSTON: They certainly could be, but they have
5 not been.

6 MR. LEWIS: Yes.

7 MR. HOUSTON: Another item, I would mention the deals
8 with the allocation of priorities and resources is in the
9 process of resolution of safety issues. I think this is a
10 process with which you have had the ample opportunity over a
11 number of years to familiarize yourselves with. The process
12 again was described fairly succinctly in a relatively recent
13 SECY paper dated April 27th, 1989, the primary purpose of which
14 was to withdraw an 11-year old NRC policy statement on this
15 subject, because it was no longer accurate. But enclosure 1 to
16 that SECY paper does give a very succinct and very nice
17 description of that process, which is basically a six-step
18 process, starting with the identification of issues, which may
19 come from almost any source. Many of them, as you probably are
20 aware, have come from the ACRS and the ACRS subcommittees over
21 the years.

22 Secondly is the prioritization from into a high,
23 medium, low, or a drop category.

24 The third is the actual resolution process.

25 The fourth stage of this is the imposition -- that

1 is, if it results in a proposed action to add some requirement
2 -- and not all of them do -- and then the last couple of years,
3 although I don't have exact figures in mind, a substantial
4 number of generic safety issues have resulted in a staff
5 conclusion that no action is required.

6 MR. LEWIS: Just out of curiosity, have any ever
7 resulted in a conclusion that some requirements should be
8 withdrawn?

9 MR. HOUSTON: Okay, part of the -- yes, to answer
10 your question.

11 MR. LEWIS: Really? Oh, wonderful.

12 MR. HOUSTON: But I would point out, in responding to
13 that question, while the process is basically a generic issues
14 process, and one part of it deals with what are called safety
15 issues, there is another part of it which deals with what are
16 called licensing issues, which goes to the question that you
17 raise.

18 Licensing issues, by definition, are those in which
19 the proposal or the issue would be to modify or reduce an
20 existing requirement.

21 There is another category of regulatory impact issues
22 which is primarily directed towards making it more efficient
23 for the staff to deal with certain regulatory requirements.
24 But the licensing issues are identified, they are identified in
25 NUREG-0933.

1 Now when push comes to shove, however, typically over
2 many years, licensing issues have received a lower resource
3 priority than safety issues.

4 More recently, SECY 89-328, dated October 24th, 1989,
5 dealt with the subject not in as complete a fashion as the
6 title might suggest, but the use of PRA in resolving safety
7 issues, and that came about primarily because of the Chairman's
8 interest in the fact that the staff appeared to be using some
9 quantitative objectives in conjunction with PRA for core damage
10 frequency, which had not explicitly been authorized by the
11 Commission, and as you probably recall, in the proposed version
12 of the safety goal policy statement, there was a quantitative
13 objective for core damage or core melt frequency, and in the
14 final version of it, that was removed.

15 So the main focus of this paper went to the question
16 of how the staff uses quantitative objective for core damage
17 frequency and how it has used it, and this was principally in
18 the resolution of two USIs, the station blackout issue, USI
19 A-44, and the decay heat removal issue, USI A-45.

20 [Slide.]

21 MR. HOUSTON: One of the things that should be
22 pointed out is that there are many generic issues which do not
23 get into the generic issue process in a formal way; that is, in
24 to this six-stage process. They do not get prioritized. They
25 simply get worked on for a variety of reasons.

1 Some of these go back a number of years. There are a
2 number of regulations that are still under development. I
3 think it's of the order of a dozen that would, in one way or
4 another, if eventually approved, would have some effect on the
5 operations of nuclear power plants. I think it's about 17.
6 One of these, for example, is license renewal rulemaking.

7 There are about a dozen revisions to regulatory
8 guides in various stages of preparation, most of which have not
9 come from the resolution of formally identified generic safety
10 issue, but the need for which has been identified, at some
11 point in the past by the staff, and the staff has been
12 allocated resources to work on them.

13 One of the major generic issues, I think, deals with
14 severe accidents and, as you are aware, in 1988, SECY 88-147
15 was issued to the Commission to describe the staff's
16 integration plan for the closure of severe accident issues.
17 That plan provided for both dealing with operating plants and
18 future plants, but primarily with existing operating plants.

19 In connection with that particular statement, that
20 particular plan, one thing that has changed or is in the
21 process of changing, which at least is moving in the direction,
22 I think, of integration, is that it's very likely that the CPI
23 program, the Containment Performance Improvement Program,
24 which, as you know, started out with a concern for the BWR MARK
25 I plants, is likely now to be folded back into the IPE process.

1 This action is expected to occur sometime in the next few
2 months, where perhaps it should have been from the very outset.

3 Rather recently, NRR sponsored a paper, SECY 89-31,
4 dated October 10, with the subject heading of the resolution
5 process for severe accident issues for evolutionary light water
6 reactors. If you have some questions on that, there are people
7 from NRR who may be able to respond to that.

8 The bottom line on this viewgraph is merely
9 identifying the fact that many plant-specific safety issues
10 arise from time to time and it is not clear how these get dealt
11 with in any integrated fashion. But there are many of them
12 that exist at almost any moment in time. There are issues that
13 are raised because of tech specs or tech spec violations or
14 simply concerns that arise from the inspection process or from
15 the experience of plant operations.

16 [Slide.]

17 MR. HOUSTON: In addition to the concern expressed by
18 the ACRS on the use or possible misapplication of staff NRC
19 resources, there was a concern expressed for the possibility
20 that the way the staff worked on regulatory activities of --
21 certainly having the appearance of in some perhaps, as you've
22 described it, piecemeal fashion, coming up with new
23 requirements periodically, that these may have an adverse
24 impact on the industry from a resource point of view.

25 In fact, you've pointed out there's even a potential

1 for conflicting requirements to be placed. You didn't cite any
2 examples and I don't know of any, whether that's happened, but
3 it certainly is a possibility.

4 In this connection, quite a number of years ago, the
5 staff did attempt to elicit industry interest in an integrated
6 safety assessment program. Unfortunately, there has been
7 relatively little industry interest shown in the program. I
8 don't know exactly what the reasons are. It was again
9 mentioned in the IPE generic letter, 88-20, approximately a
10 year ago as an opportunity that licensees had to integrate the
11 schedules of NRC requirements with their own requirements to
12 operate the plant.

13 There is under consideration, as pointed out in the
14 October memorandum to the Chairman, there is consideration
15 being given to drafting and publishing a policy statement on
16 the Integrated Safety Assessment Program.

17 There is an activity in process which goes part way
18 towards an integrated assessment of the imposed workload on
19 licensees. As best as I can determine at the present time,
20 however, this is limited to what might properly be called
21 compliance with an OMB requirement that is related to the
22 burden placed upon licensees to provide information in response
23 to generic letters authorized under 10 CFR 50.54(f).

24 50.54(f) letters are requests for information.
25 Licensees are legally required to respond to them, to provide

1 the information that is requested, and it is necessary in each
2 case for the staff to carry out a burden analysis to make
3 reasonable estimates of what kind of burden this will be on the
4 licensees that would be effected by providing that information.

5 Beyond that, I don't believe there is any staff
6 activity which attempts to integrate total burden on licensees
7 in terms of dollar costs or staff costs in terms of
8 implementing new requirements. Although, the estimates are
9 made on a one-at-a-time basis, when a new requirement is
10 proposed, an estimate is made of that burden.

11 But to do it in an integrated sense and to look at it
12 from a schedule point of view, there is at the present time, to
13 the best of my knowledge, no staff activity that does that.

14 In this connection, however, the Committee for Review
15 of Generic Requirements, which is an advisory committee to the
16 EDO, does have a role to play and does play that role, I think,
17 very well in being very conscious because all new requirements,
18 generic requirements are required to pass through the CRGR to
19 give the CRGR an opportunity to provide its advice to the EDO.

20 As part of that review process, the prospective
21 impact on licensees is very definitely a part of that review
22 process. Again, however, I am not aware that in the
23 recordkeeping and the estimates made by CRGR there is any
24 attempt to try to keep an integrated record of what these all
25 might add up to at any particular point in time.

1 MR. REMICK: Do matters that come up through NMSS go
2 to CRGR?

3 MR. HOUSTON: I believe they do. I'm not certain.
4 I'm sorry that we don't have Jack Heltemes here yet, but it's
5 my understanding that they do.

6 [Slide.]

7 MR. HOUSTON: Finally, I would like to make some
8 observations. This is the last slide that I have. At the
9 present time, at least some of us in the staff, I think I can
10 put it that way, see the implementation of safety goal policy
11 as the next major step that the staff should be able to take,
12 could take that would be a vehicle for creating more coherence,
13 I think, in the regulatory process.

14 How fast this can be accomplished, I think, is
15 uncertain at this time. Certain recommendations that have been
16 made by the staff to the Commission back last spring have not
17 been acted upon yet. We have gotten, I guess I'll use the word
18 again, piecemeal requests from the Commission to respond to
19 certain things that are associated with the plan that was
20 presented to them.

21 Perhaps it needs to be reformatted and supplemented
22 and resubmitted to the Commission so that it is perhaps more
23 digestible and perhaps more coherent than SECY 89-102 is. It
24 is fairly lengthy and covers a lot of ground.

25 One aspect of it we will, of course, be discussing

1 with the ACRS tomorrow, the question of the role of adequate
2 protection in this process. It has been my understanding for
3 some time that the ACRS has viewed safety goal policy as a
4 potential or it should be the umbrella policy that deals with
5 all aspects of safety regulation and the interest of safety.

6 In this sense, I think there is basic agreement
7 between the staff and the ACRS, that I think we would like to
8 see safety goal policy used and to create more coherence in the
9 process and better integration.

10 Indeed, one of the four principal elements that was
11 identified in the staff's plan there was precisely the matter
12 of integrating the process in the sense of keeping track of
13 regulatory requirements that have been imposed in the sense of
14 each time they are implemented, crediting these so that if a
15 future PRA is done in the interest of trying to resolve a new
16 generic safety issue, that recognition will have been given to
17 the requirements that have been imposed from day one to that
18 point in time.

19 I have seen it as sort of an accounting technique,
20 but it's an essential part of the process, I think, from an
21 integration point of view, to have a system which does that
22 kind of accounting. It eventually would mean that we've
23 improved the plants to the point where there is perhaps no
24 further room for real safety improvement.

25 Now, one caveat I would like to put on this at this

1 time, however, is that, as I've sometimes said, PRAs are not a
2 panacea. A PRA, of course, is a methodology. It's an
3 integrated methodology, integrated in the sense of looking at
4 an entire plant; safety systems, as well as non-safety systems
5 that may interact with safety systems; and provides importance
6 insights into what is important to safety in a plant.

7 But it is not the kind of a thing that can be used to
8 provide a 100 percent answer to questions, because there are
9 certain -- and to actually make the decision process a very
10 easy one. It's an input to the decision process and there is
11 always the remnant, the residual which may be, in some cases,
12 more than 50 percent of the decision process which is judgment,
13 which may be a question of engineering judgment or it may be a
14 question of management judgment.

15 As we've all recognized, there are certain aspects of
16 the operation of a plant; that is, how well it is operated;
17 that are not at the present time really amenable to
18 quantification and, therefore, use in the context of dealing
19 with quantitative objectives as they may exist in safety goal
20 space.

21 MR. LEWIS: If I could just interrupt for a second.
22 That's the sort of comment I never entirely understand, and I'm
23 sure the defect is in me. When people speak of PRA being not
24 panacea, nobody ever claimed it was. It's certainly the be-all
25 and end-all of decision-making on safety. It's like managing a

1 household budget; keeping your checkbook up-to-date doesn't
2 manage the household budget for you, but it's kind of hard to
3 do it without doing that, because then you know where you are.

4 On the question of the things that are omitted from a
5 PRA, like management, you said it's not amenable to
6 quantification. Of course it's amenable to quantification,
7 it's just that it's very hard to do. We often grade people on
8 subjective things and the grades have a certain amount of
9 subjectivity to them, but so what if you're good at it.

10 I give students grades all the time and the grades
11 are reasonably well correlated with how well they know the
12 subject. Not perfectly, of course, but reasonably well
13 correlated. So it is amenable, but that isn't even the issue.
14 The decision-making process, of course, takes into account more
15 than the PRA because the decision-making process is aimed at a
16 level of safety.

17 But without having the quantified input, it's very
18 hard to have a decision-making process. So I guess I never
19 really understand these caveats about how imperfect PRAs are.
20 I guess that's what I'm saying.

21 MR. HOUSTON: Perhaps my comment is directed at the
22 wrong group here. What I find from my experience is that there
23 are people within the staff who seem to rely excessively on the
24 results of a PRA result because it's easy.

25 MR. LEWIS: Sure. There are people who go out and

1 buy things because the checkbook balance is positive. They're
2 overlooking other matters. Yes, there certainly are. There
3 are excesses in both directions.

4 It is not a big point. It is just that I always
5 react negatively to caveats.

6 MR. HOUSTON: One other observation that I would like
7 to make is the role of regulatory analysis guidance.

8 At the present time, the staff has guidance to
9 perform regulatory analysis when we're talking about backfits
10 of new requirements. What we do not have is guidance on
11 regulatory analysis for the forward-fit of new requirements. A
12 good example is license renewal. A, perhaps, even better
13 example is how should one carry out a regulatory analysis for
14 new requirements to be imposed on new plants that, at best,
15 exist only on paper at the present time?

16 Another thing that the staff is lacking is regulatory
17 analysis guidance for changing ineffective or unnecessary
18 requirements. The regulatory analysis guidance that we have is
19 almost exclusively devoted towards the backfit question -- that
20 is, the matter of try to justify a new requirement as a
21 backfit, as distinct from trying to justify the removal of an
22 unnecessary or ineffective requirement.

23 MR. KERR: Wayne, if such guidance were to occur,
24 where is the initiative likely to be in establishing it?

25 MR. HOUSTON: I think the initiative probably would

1 have to come from the staff.

2 MR. KERR: The Office of the EDO? The Office of
3 Policy and Planning? What part of the staff is likely to take
4 the initiative?

5 MR. HOUSTON: Well, I don't think it would in the
6 EDO's office, although an activity of that nature might be
7 something that the EDO would authorize and recognize it would
8 be a good idea to spend some resources on developing.

9 MR. KERR: I think there are some people who would
10 feel that one of the responsibilities of management is to
11 initiate new policies, and it had been my impression that the
12 EDO was responsible, to some extent, for managing.

13 MR. HOUSTON: I think that's a fair statement.

14 MR. KERR: But it is unlikely that that sort of
15 initiative would come from the EDO's office.

16 MR. HOUSTON: Well, I can't say that it either would
17 or would not. Initiatives come from a variety of places, and
18 often, after passage of some period of time, it's probably not
19 the easiest thing in the world to determine where the original
20 initiative came from anyway.

21 A lot of things that the staff has done over the
22 years have come about because of ACRS initiatives and
23 recommendations.

24 Probably, initiatives taken within the staff,
25 probably, are more commonly at either management levels below

1 the EDC's office or, sometimes, at the staff level, and the
2 people will work on certain things that are thought to be good
3 ideas or propose things to be worked upon, and they are acted
4 upon, then, by management, and either accepted -- yes, this is
5 a good idea, we need this, or no, it isn't, we don't need it.

6 MR. LEWIS: Many companies, Wayne, have both a chief
7 operating officer and a chief executive officer, whose
8 functions are really quite different. In your view, is the
9 EDO's job closer to one or the other, or is that a dumb
10 question? I shouldn't have given you the third alternative.

11 MR. HOUSTON: Well, I would say it's probably closer
12 to the chief operating officer, being a Federal agency, as
13 distinct from one who is concerned about the financial
14 condition of the company.

15 MR. WARD: Well, I assume the Commission does play
16 some sort of role in all of this.

17 MR. HOUSTON: Yes.

18 MR. REMICK: I want to follow up on what Bill Kerr
19 and Hal have been talking about, but at the same time, if
20 you're near the end of your presentation, I might just wait,
21 because I want to pick up on what they said, plus a couple of
22 others. Are you near completing?

23 MR. HOUSTON: I am, yes. I have just a couple of
24 other comments.

25 MR. REMICK: I'll wait then, but I do want to pursue

1 that.

2 MR. HOUSTON: One of the things -- again, it's
3 another observation which I just didn't get written down here -
4 - is a lot of -- the way the staff functions, there are, often,
5 scheduler commitments or scheduler constraints which often
6 drive what the staff does and the sequence in which things get
7 done, and in some instance, I think, if one were to look at the
8 record, one might find that the imposition of these scheduler
9 constraints has, perhaps, not been a good catalyst to the
10 integration and coherence in the process.

11 This may come about by a feeling on the part of many
12 managers, quite logically, I think, that it's better to try to
13 take a chewable piece of something that needs to be done and
14 get it done, and if it doesn't quite fit something else, so be
15 it, but otherwise, if one were to sit back and sort of wait for
16 some global kind of a policy, it may take a long time to get
17 anything done.

18 So, there are those attitudes that I think are at
19 work, and it's just an observation I make that there's a lot of
20 emphasis on meeting schedules that either come from commitments
21 made within the staff or come from constraints imposed by the
22 Commission, perhaps, or whatever -- sometimes, perhaps, by the
23 Congress -- that may make it difficult to -- I think, in the
24 past, in some instance, may have made it difficult to come out
25 with really coherent results.

1 I think that's the final observation that I'd like to
2 make.

3 MR. REMICK: We've talked about integration, and I
4 think coherence is probably closer to what we really did mean,
5 and I would even suggest something else. Philosophical
6 consistency or safety philosophy consistency is what I had in
7 mind, and I'm not sure you completely address that, Wayne.
8 What you presented was interesting information, and then, going
9 back to the discussion of chief operating officer, I agree.

10 I think the EDO, in my mind, probably is closer to
11 that, and maybe he has responsibility for integration and
12 coherence. Maybe safety philosophy consistency is the
13 responsibility of the Commission, which I see more as a CEO,
14 but I really think my concern on coherence consistency
15 integration, you haven't quite addressed, and I think the only
16 person -- I've given some thought about this -- who can get his
17 arms around this, from what I perceive as a problem, is the EDO
18 or let me say EDO office. I'm not saying the EDO is not doing
19 his job and so forth, but that's where all these things come
20 together.

21 Part of the problem, I think, is we have the
22 statutory offices, and I don't disagree with that, but I have
23 seen -- and just wrote down, as you were talking here, some
24 examples, to give you some feeling of just a few of the
25 examples that I see of these inconsistencies.

1 I applaud Part 72. I think that was a tremendous
2 thing, to get that out of Part 50, so people know what it takes
3 to license, and that was developed by NMSS, but when those
4 people came and talked about the training aspect, and maybe
5 this is just the people here, they could not answer the
6 question do you envision the training that's going to be
7 required? There's a little paragraph in Part 72 about it. Is
8 that going to be systematic performance-based training?

9 They didn't even know what we were talking about, and
10 that worries me, because NRR were heavily involved at that time
11 on performance-based training and INPO and so forth. That kind
12 of shocked me that one part of the staff -- and that's the
13 problem I see. We have one office developing something, and
14 that's that office's responsibility. They don't seem to
15 communicate with the experts even with the agency, and I'm not
16 sure, at the EDO level, they pull these things together and ask
17 those type of questions.

18 Another was the famous Fitness for Duty and Access
19 Authorization -- two different offices, both of them talking
20 about drug testing, no indication in the Access Authorization,
21 when they were talking about drug testing, are they talking
22 about the drug testing that the other office is proposing
23 simultaneously, out on the street? Nobody could answer that.
24 Drug testing, but they didn't know, is this a new drug-testing
25 program, or is the same one that we've just put out on the

1 street under Fitness for Duty?

2 Now, I think the EDO's office better be asking those
3 questions of the different offices. I understand the need for
4 reorganizing offices and so forth, but I don't see the people
5 communicating.

6 Severe accident issues -- and IPE was going to do a
7 lot, but at the same time we're trying to tell licensees that
8 we're coming out with an IPE and this is it, but you've got to
9 go off and do these MARK-1 things now. We've address that, and
10 I don't want to get into it, but it also is part of the EPE,
11 then. We say we're going to expect you to have accident
12 management and accident training programs sometime in the
13 future, and here's how we, at this moment -- you had a draft
14 generic letter -- this is how we view these at this moment, but
15 incidentally, you ought to go out and change your emergency
16 operating plans and so forth for these things. Here are a
17 couple of things we think are important that you do now.

18 So, although the severe accident, IPE, accident
19 management are supposed to be kind of coherent, addressing
20 severe accidents, at the same time we're trying to come out
21 with guidance for, say, do this now, do that now, and so forth,
22 and even the staff's doing other things related that they don't
23 even say is any way tied to those.

24 So, those are some of the problems I have.

25 The other, of course, that the Committee address, is

1 new Reg. 1150. Office of Research had that responsibility.
2 Our perception, and it could be wrong, that people in NRR were
3 not paying much attention to that and even discrediting whether
4 they could use it and whether it was correct, and that, I
5 think, is extremely embarrassing to the agency -- that type of
6 thing, but it appears to show that when one office is doing
7 something, the other office isn't paying too much attention.

8 There might be sign-offs and forth, but I am not sure
9 that anybody -- it has to be, in my mind, the EDO's office that
10 grasps the entire thing that's going on and tries to get some
11 philosophical consistency, and the best way, if you sit out
12 coldly and read all the documents that come out of this agency,
13 whether they're regulations or generic letters -- sit out there
14 coldly and try to understand, and say is this one agency or do
15 we have three or five agencies doing things that -- it's kind
16 of like NRC and EPA kind of went off like this.

17 You can see it, many times, office to office, and
18 that's the type of lack of integration, coherence, consistency
19 that has me concerned, and I'm not sure you've really addressed
20 those. You've added to it by pointing out you're not quite
21 sure where these things are handled, and I say, without
22 criticizing the EDO, that it has to be the EDO. The Commission
23 can't do it, unfortunately. They should provide some overall
24 guidance, but I think the EDO has to be the manager. He is the
25 one that has to be -- his office, but he is responsible for it.

1 Whether one person can do it -- whether CRGR is the
2 proper group. Maybe they are, and I think they have helped,
3 but I'm not sure -- that's why I asked about NMSS -- that they
4 see the NMSS, and are they looking at it from the standpoint,
5 if I were reading this external to the agency, would this look
6 like one agency or three or four?

7 Long speech -- sorry.

8 MR. LEWIS: Well, I want to say "amen" to the speech,
9 especially the part about the deficiencies of the Commission in
10 this regard -- not really, but again, using the example of
11 large well-run companies, and there are one or two of them in
12 the country, the board serves more as a brake on the CEO than
13 as a provider of strategy. The strategy normally comes from
14 the CEO. You fire the CEO when things are going badly, and you
15 promote a new one, and the board, as epitomized by its
16 chairman, provides a kind of looser level strategic guidance to
17 the corporation to set its long-term track, but the coherence
18 comes from the combination of the two.

19 I wonder about one other thing, while I'm talking --
20 the problem of setting out coherent policy.

21 There is more to the Commission than headquarters.
22 There are also the regions, and in fact, the contact of the
23 utilities with NRC is mostly through the regions, not through
24 headquarters. Where is the responsibility -- even if there
25 were perfectly coherent policy agreed on at headquarters, where

1 is the responsibility for seeing that that's reflected in the
2 field? I'm a little fuzzy on this. I'm just asking for
3 information.

4 MR. HOUSTON: I am not sure I can answer that
5 question.

6 MR. LEWIS: That's already a good answer.

7 MR. HOUSTON: The EDO Office does have an oversight
8 responsibility for all the regional offices, but I believe
9 maybe Frank Gillespie could speak about the interaction between
10 NRR Headquarters and the regional offices.

11 MR. GILLESPIE: Yes. I, first off, would like to say
12 that Wayne is, in general, an integration speaking for NRR
13 also. It's not that there hasn't been quirks and fitness for
14 duty and the drug testing was hopefully something that we'll
15 try not to have happen again. As far as NRR being put on a
16 schedule and being told to get one rule out while another rule
17 was already being worked.

18 MR. REMICK: Incidentally, that was pointed out about
19 1982. Two offices were working on access authorization and
20 fitness for duty.

21 MR. GILLESPIE: That's why it's split between the two
22 offices, because I used to have both of them in the same branch
23 about 1981. Then I knew it was integrated because Ray DeSalvo
24 and I were working together to get them done.

25 I don't think there is as much disparity now on all

1 issues as there was and we're continuing to get better. Let me
2 tell you how we're organized in NRR to try to deal with
3 integration.

4 It generally provides for some tense times between us
5 and research and provides for friction, but out of that
6 friction and yelling and things that go back and forth, I don't
7 think there are many things of a significant level that don't
8 really get a lot of hashing over relative to everything else
9 that's significant.

10 As far as the more, I'll call it the lower level
11 items that come over, not to denigrate generic issues and USIs,
12 but the more routine, which we see a lot of. They all come
13 through one point in NRR.

14 Then the generic letter is the solution, which, in
15 many cases, a generic letter gets issued. There is a specific
16 group assigned, down with Carl Berlinger, to review all the
17 other generic letters and all the other bulletins we've put out
18 to make sure that we're not doing the same thing again and, if
19 we are doing the same thing again, that we say in the generic
20 letter why we're doing it again, because, utilities, you didn't
21 do it right the first time and this is to tell you to do it a
22 second time.

23 That's happened on several occasions.

24 MR. MICHELSON: You said it came through one point,
25 but you never told me --

1 MR. GILLESPIE: Me.

2 MR. MICHELSON: You are the singular point on those.

3 MR. GILLESPIE: I am the singular contact and we have
4 about five people who work full time on that research
5 interface. Their job is to staff it both through NRR and bring
6 items to the attention of RES.

7 A lot of what they do has developed in the past, so
8 it's going smoother now since there are fewer issues to fight
9 over, such things as, gee, we've put that resolution out
10 before. That should have been covered by this rule. Or we
11 don't think it should be backfit. It should only be a forward
12 fit.

13 It creates a lot of interface between the staffs. I
14 think now it's working actually relatively smoothly, that we're
15 getting a lot of staff interaction, plus we're getting the
16 effect of looking up; have we done it before. That's their
17 primary mission. Have we done it before, is this the efficient
18 way to do it, is the current cost of the licensee for complying
19 with it more than it's worth, should it be only forward fit,
20 should it be backfit, should nothing be done with it.

21 MR. LEWIS: If I can just interrupt for a second.
22 What we're describing is a process of constructive interaction
23 among parts of staffs. As you said, there's a certain amount
24 of fighting and friction.

25 MR. GILLESPIE: It is constructive interaction and we

1 get the best solution out of it, I believe.

2 MR. LEWIS: That's the question I was going to raise,
3 because constructive interaction among the parts of the entity
4 can bring about integration. There is no question about that.
5 In fact, in relations between countries, integration always
6 occurs when a war occurs and one of them wins. That produces
7 integration.

8 It doesn't necessarily produce coherence because the
9 process by which -- and it's also the budgetary process that
10 when described, budgetary conflict is a classic way to achieve
11 integration of any organization's program. You fight over
12 money. You usually end up by dividing it.

13 In California, we just saw the creation, this
14 evolutionary controversy, by splitting the difference, which is
15 not necessarily the most coherent policy, but it does achieve
16 integration. It was unanimously passed finally once the
17 compromise was reached.

18 The problem is one more like the one that Forrest was
19 describing of how you achieve a kind of philosophical coherence
20 which says that in these conflicts among the individual
21 offices, you feel that you're reflecting somehow a philosophy,
22 an approach towards safety that is thought of at a higher level
23 than just conflicts among the practitioners.

24 It really is the difference between coherence and
25 integration.

1 MR. GILLESPIE: I think you'd find, although this is
2 written down, this is actually what's happening. On major
3 issues, the conflict does get raised very high. Tom Murley,
4 who might be here himself except right now he's in Sweden, and
5 Eric, we don't hesitate, those of us who report directly to
6 them, to say it's time for a meeting.

7 Everyone gets together with Eric and Themis Speis and
8 with Tom, in their building or our building, and particularly
9 on things that deal or have implications to deal with safety
10 goal or severe accidents and how they apply.

11 Inevitably, you're getting involvement right at the
12 office director level. And the practitioners work out the
13 details, then we're each briefing our own management and
14 getting them together. So there is a lot of integration and a
15 consistency in coherence, I think, that gets carried forward.

16 Now, it's not written down; there's not an
17 instruction that says this issue or that issue has to be
18 brought up to the highest level. We have groups with us whose
19 job it is to make sure that those things that need to be
20 brought up are brought up.

21 I think on the other side, organizationally, NRR goes
22 out of its way to make sure that we do not write, whenever we
23 can, we do not write rules, we do not write policy statements.
24 We want that focused in one office. We want to support
25 Research's role as a focus for that.

1 In certain rules, there is a lot of staff
2 interaction, there's a lot of staff participation. I believe
3 when something comes out of Wayne's former division or Tom
4 King's branch, out of the Office of Research, we're totally on
5 board with it and right at the office director level.

6 This is part of -- the drug testing thing was a
7 residual conflict that was left over and now we're trying to
8 discipline ourselves not to get in that bind again. So we're
9 not fighting over the leadership role. There is one leader in
10 the agency doing those things and we feed our comments into
11 them.

12 MR. KERR: So it's your feeling that the initiative
13 for this should come not from the EDO, but from the offices.
14 At least, that's the way it appears to be working and you think
15 it's working well.

16 MR. GILLESPIE: It's not perfect. It's getting
17 better. I think as the offices -- it took two years or two-
18 and-a-half years since the reorganization for the offices to
19 absorb what their roles really are and to get all the way down
20 into the trenches in the staff what their roles are.

21 We're very vehemently enforcing that, because one of
22 the ways to get coherence is to look to one central focus for
23 everything before it goes to the EDO at a policy level.
24 Commission policy is by rules. Rules is what really sets
25 policy and that's now all focused in one place.

1 We fight, we work with them, but I think the best
2 product comes out of that one place. In things like the
3 maintenance rule, we're working very closely with Research, but
4 I think it's working now.

5 Let me give you an example of integration of many
6 issues, because --

7 MR. WARD: Could I interrupt at this point? This is
8 directed toward what the line of discussion Frank is
9 introducing. I think I'd like to make the point, Frank, that
10 we're not questioning -- I don't think we're -- I'm certainly
11 not and I don't think we are questioning the facts that the
12 staff has large measures of competence and goodwill and common
13 sense it's applying to this.

14 You recognize, obviously, that policies and practices
15 need to be integrated and you've described how you go about it.
16 The human ways you go about it. But something isn't working.
17 There is some systematic failure here despite all the obvious
18 competence and goodwill and energy and everything else on the
19 part of the staff. Something isn't working.

20 I think that's what we're trying to get at. I think
21 there are some systematic things in place that tend to kind of
22 bulkanize your efforts and one of them I think Wayne mentioned
23 and it's sort of a -- within the staff managers, there's an
24 ethic, this pervasive ethic to meet schedules on my program and
25 my program. You get bonuses based on that, I'd guess, and

1 promotions.

2 Certainly, your annual reviews by supervision, I
3 suspect, very heavily emphasize meeting schedules. There's a
4 lot that's good in that, but I think it's probably over -- that
5 something is easy to measure and it's probably leading to an
6 over-emphasis on that other sort of thing that Wayne mentioned.

7 The other thing, I'd to respond to Forrest. I agree
8 with a bunch of what Forrest said, but I'd hate to leave the
9 impression -- I guess I don't agree that the EDO can
10 necessarily be the source of coherence and necessary
11 integration because some of the failures have been and lack of
12 coherence have been at policy levels, I think.

13 That's really at the feet of the Commission. I think
14 the EDO has to furnish the integration and coherence, a
15 consistent philosophy in operations of the agency, but not in
16 setting policy. I think some of the problems of lack of
17 application of a consistent policy have actually been --
18 philosophy have actually been at the policy levels.

19 MR. KERR: I seem to remember that Frank's
20 interesting discourse was in response to a question from Hal,
21 and he never did get around to answering the question.

22 I will remind you what the question was, and that had
23 to do with interaction of the regional offices with --

24 MR. GILLESPIE: That's easy, because that's me, too.
25 Our office is -- it becomes very easy, just the way we're

1 organized. There's two parallel paths for interacting with the
2 regions. The program offices and the EDO.

3 The regional administrators report to the EDO, but
4 for programmatic issues, things like what kind of inspection
5 effort needs to support the station blackout rule -- that
6 strictly comes out of the program office. And any new
7 requirement, be it generic letter -- bulletins automatically
8 are followed up, but bulletins that need an extra look, or
9 rules, before we concur on them to go to CRGR, have to have
10 been reviewed and the decision has to be made, whether
11 inspection support is needed or not needed. And if the answer
12 is it is needed, it has to have an inspection procedure with it
13 when it goes.

14 And that is a relatively ironclad policy and
15 approach, and has resulted in a significant decline in the
16 amount of extra inspection right now being done in the regions
17 on a lot of issues.

18 So on the implementation side, that is how it is
19 done.

20 MR. LEWIS: Just to follow this up, many years ago,
21 there was a proposal made -- and I'm reminded of it because it
22 came up at Idaho Falls a month or two ago -- to try some kind
23 of double blind inspection of the NRC inspectors. That is, to
24 try to find some way of -- I don't know whether you would call
25 it appointment of ombudsman or sending spies or test people out

1 -- just to find out how well the regions really are
2 representing the policies adopted in Washington at
3 headquarters.

4 We all know many scare stories, you know, cases in
5 which that's not been the case, and I wonder where the action
6 is for following up these scare stories, as examples of
7 excesses and determining whether there's a basis, a substantive
8 issue out there. Who has that responsibility?

9 MR. GILLESPIE: Well, right now NRR does. That's one
10 of the reasons that you see this group of managers who are now
11 going around redoing what Jim O'Reilly did in about 1982, I
12 guess, to go to the utilities -- I think they are going to
13 three utilities in each of the larger regions, and two
14 utilities in each of the smaller, and spending a week there.
15 Murley's been on a couple, Sniezek has been on a couple. Burt
16 Davis from Region III is heading it up.

17 As a matter of fact, Burt was excused from
18 participating in a meeting, certain portions of the meeting, in
19 a Region III plant. He wasn't even allowed in the room. He
20 was asked to leave the room.

21 So that is part of the reason for that.

22 We get those kind of accusations and then when you
23 ask for specifics, everyone seems to kind of clam up, and say,
24 well, if I give you specifics, it's going to get worse, because
25 this guy is going to come down on me even harder.

1 MR. LEWIS: Is that false?

2 MR. GILLESPIE: If we had a specific, I think you
3 would find us taking reasonably stern action, if there was
4 significant backfit going on undercover.

5 MR. LEWIS: I'll come back to you in a month or so on
6 that comment.

7 MR. GILLESPIE: But because of the lack of specifics,
8 that's why these groups were put together, to go around and
9 talk to the utilities. And I think there will be some
10 corrective actions coming out of it, there will be some
11 adjustments in the program.

12 MR. REMICK: What is the status of that effort, by
13 the way?

14 MR. GILLESPIE: It got delayed about a month, with
15 the Commission wanting to look at it and ask additional
16 questions.

17 I believe now the last visit -- they've finished
18 about three now, and the last visit will be like the second
19 week in December, with a report coming out in January.

20 MR. CARROLL: Are the utilities tending to be more
21 candid than they have been in the past about some of these
22 issues?

23 MR. GILLESPIE: Having listened to the debriefs, each
24 trip seems to be coming back with a consistent theme. Are the
25 utilities being more candid? No. We're kind of hearing the

1 same thing, with not a lot of specifics. But when you hear the
2 same thing from that many people, you have to come back and
3 think hard about it's still there. And many, many, many of the
4 comments are duplicates of the comments we have gotten in '82.
5 A lot of the same problems, a lot of the same kind of comments.
6 Comments on inspectors ratcheting, fear of retribution.

7 They are being somewhat specific in too much
8 inspection. These large teams are driving them crazy with
9 trying to support them.

10 So in that sense, there is a specific complaint. I
11 don't believe large team inspections in '82 was a major
12 complaint. That is a fairly significant observation coming out
13 of it now.

14 MR. REMICK: Is there anything specific on the
15 diagnostic inspections?

16 MR. GILLESPIE: Yes. I have to wait for the report
17 on that. As a team inspection, they are very, very large, and
18 the larger the team, the more comments they tended to get from
19 the utilities who had those kinds of teams performed at them.

20 Some inspections came back with very good report
21 cards. The emergency operating procedure inspections, which
22 tended to be more like three or four people, split between
23 system walkdown and simulator, tended to get -- while it was a
24 pain, we could see that it was a good functional kind of
25 inspection, and what came out of it was very valid, and we have

1 to fix what the weaknesses were.

2 The maintenance team inspections drew criticism for
3 getting in certain regions larger than other regions, and the
4 diagnostics are the biggest of the team inspections.

5 MR. REMICK: Was it just because of size or -- I
6 would think they would have problems with going around talking
7 to employees, asking them to rat on their supervisor.

8 MR. GILLESPIE: To some degree or another, that's
9 part of the interview process that goes into whenever you're
10 sending a large team in.

11 I'm not sure of the specifics, but they were
12 criticized as one of the larger team inspections, and the
13 latest one that is going on right now is 20 people. That was
14 at Palisades. And you have to have some sympathy. When 20
15 people show up on site, that's a lot of people.

16 MR. LEWIS: Well, it also means that you can't tell
17 them anything confidentially, because it will surely leak. You
18 can tell one person something confidentially and have a 50-50
19 chance; but not 20 people.

20 MR. GILLESPIE: If there is a main follow-up on that
21 criticism, it's going that way, because one on one, there have
22 not been a lot of specifics.

23 MR. LEWIS: Well, you know, if I go to my chancellor
24 and complain about my dean, I better make sure I succeed in
25 getting him canned, because I'll never survive if I don't. You

1 know, I'd think about it very carefully before I did it.

2 MR. GILLESPIE: Well, that's probably part of it.
3 Maybe it's a lot of little things that they get upset with a
4 particular inspector about, but it's not that one big thing
5 that they can envision this guy getting pulled off their site.

6 Also the criticisms were not aimed chiefly -- only at
7 inspectors. There is still a criticism of NRR staff out there,
8 suggesting things that might need to be done, and a certain
9 criticism of the same parallels going on with the NRC staff.

10 There was one specific example -- I forget the plant
11 -- where a criticism was that one branch came out, INC, and
12 said you need to test the diesel every week because you have to
13 check the circuitry all the way through the system to the
14 diesel start. And then the mechanical engineering branch went
15 out and said, but you should only test the diesel once a month.

16 So we have still got some problems, and there are
17 some specifics that are coming up. The specifics that seem to
18 come up seem to be criticism of headquarters and not the
19 regions, and that may have something to do with the
20 geographical distance between us and the utility, and the
21 resident being right there.

22 MR. SIESS: It may have something to do with how the
23 disciplinary separation is in headquarters, I suppose. We
24 don't have an INC and a mechanical section in the regions. We
25 need a committee to review non-generic requirements.

1 MR. GILLESPIE: There will definitely be some
2 corrections in the process.

3 MR. SIESS: But first you've got to be aware of them.

4 MR. LEWIS: Well, you don't do those things through a
5 committee, anyway.

6 MR. CARROLL: My rule has always been it takes three
7 utility people to support one NRC inspector. They are really
8 devastating to a plant's organization.

9 MR. GILLESPIE: That is the point they are making to
10 us.

11 MR. LEWIS: Eric is trying to get a word in.

12 MR. BECKJORD: I am sitting here trying to figure out
13 where this is going.

14 MR. LEWIS: So am I.

15 MR. BECKJORD: I am trying to figure out where this
16 is going, and I am looking at your letters, and let me see if
17 we can't come to a couple of specific points.

18 First of all, with regard to the maintenance rule,
19 you cite that as -- we are concerned in a variety of matters,
20 of which the proposed maintenance rule is only the most recent
21 example. Isolated subjects have been identified.

22 I think you really need to talk to the Commission
23 about the maintenance rule. We are -- we, the Staff, are --

24 MR. SIESS: The letter went to the Commission.

25 MR. BECKJORD: Okay. But if you want to talk to us

1 about that, you are not talking to the right people, because we
2 --

3 MR. LEWIS: We didn't bring you here to talk about
4 the maintenance rule, but we did cite it as an unusually bad
5 example, and Frank just cited it as an unusually good example.
6 I find that interesting.

7 MR. BECKJORD: Another subject is the generic safety
8 issues and the unresolved safety issues and the severe accident
9 policy is mentioned in your letter and you commented on that.

10 I guess in thinking about the question of coherency,
11 I look back on three years of history in severe accident policy
12 and I guess I look at it about the way you look at your grading
13 your students. I don't think that a perfect job has been done
14 and I certainly don't claim that errors haven't been made but
15 on the whole, it seems to me that the approach to that, given
16 the past history, is reasonable coherent.

17 There's a severe accident policy statement of 1985
18 which called for an investigation of individual plants. It
19 took a long time to get that underway in the IPE program but it
20 is underway. It did not get underway in the fashion that you
21 wanted. You wanted internal and external events to be done at
22 the same time, all in one effort.

23 I think as a practical matter, with the information
24 that was available at the time and I'm thinking now two years
25 ago, it wasn't practical to do them at the same time. So,

1 instead, a phased approach was undertaken. The second step,
2 which is the external events, is being put together now and
3 that's going to be ready about the end of this year.

4 Probably by the time the whole process is completed,
5 there will be a phase-in, I suspect. IPE is going to be
6 completed -- the paperwork will be completed on it in about
7 three years time and certainly the external event part of it is
8 going to be underway well before that and it may be completed
9 somewhat after but I think they will be more coincident than it
10 appeared that they would be two years ago.

11 Your point about unresolved safety issues and generic
12 safety issues, I guess that's the case where there are
13 inconsistencies. It seems to me that what you're dealing with
14 there is a number of different clocks. My recollection of the
15 history and I wasn't involved in this until three years ago,
16 there was an accumulation of generic safety issues and the
17 Congress wanted to know, you know, when are you going to get on
18 top and resolve these issues?

19 So, one of the main thrusts of the reorganization
20 three years ago was to address that problem and to assign a
21 responsibility for getting the work underway and accomplished
22 and that was done and the work did get underway and it is to a
23 considerable extent -- it's accomplished. I think there are
24 still, out of 735, there are still some 80 issues that remain
25 to be disposed of. Not all of them are safety issues. Some of

1 them have been found to be not really significant from a safety
2 point of view but in another year's time, if all goes the way
3 it's going now, that inventory will have been liquidated -- the
4 generic safety issue inventory -- not perfectly, not perfectly
5 consistently, but on the other hand, not so bad either.

6 MR. SIESS: Without any regard to whether the
7 solutions are integrated or not? The object is to get them off
8 the books, to take care of the bookkeeping, to satisfy the
9 congress.

10 MR. BECKJORD: Well, no, I think A-45 -- there was a
11 lot of thought given to the shutdown decay heat removal issue
12 and the conclusion was that that couldn't be settled in a
13 generic way, that it would not be possible to articulate a
14 generic solution which would be cost effective. So, it was
15 determined to do that in the IPE.

16 It seems to me that was a decision for which we could
17 claim coherence.

18 MR. SIESS: Well, you could claim that it was put
19 into a process where there was some coherence.

20 MR. BECKJORD: Yes.

21 MR. SIESS: Whether it comes out of that coherently,
22 we don't know yet.

23 MR. BECKJORD: Well, that's true, because it hasn't
24 been accomplished but it seems to me it's on the right track.
25 I can't think of a better track. If somebody can think of a

1 better track, why we would certainly move to it.

2 MR. SIESS: I think that was done rather reluctantly,
3 too.

4 MR. REMICK: We were somewhat surprised staff did it
5 because they were fighting putting things in the IPE and then
6 decided to do that and I think we applauded that -- A-45 in
7 this part of the IPE. We could not understand why other issues
8 were not of the same nature.

9 MR. BECKJORD: Now, if you take severe accidents,
10 again, you know, that issue has a long history. It seems to me
11 that if there's a better approach than the current one, I sure
12 -- I'd be glad to get to work on it.

13 MR. KERR: Eric, you said you wondered where this was
14 going. I guess I'm -- what you seem to be saying is that we
15 really shouldn't be raising questions about coherency
16 integration because things are going as well as they could go.
17 Is that what you're saying?

18 MR. BECKJORD: I guess what I'm saying with regard to
19 the generic safety issues, there is more than one clock. I
20 mean, Congress had a clock and the Commission has a clock.

21 MR. KERR: No, I'm trying to get the overall thrust
22 of your comments. It appears to be that really, things are in
23 good shape and they couldn't be expected to be much better than
24 they are; is that true?

25 MR. BECKJORD: I think generic issues -- what I'm

1 saying is that -- first of all, with regard to maintenance, I
2 was saying that the Commission hasn't really established the
3 goals and the clock and they've put in the SRNs and we're
4 responding to that.

5 With regard to the generic safety issues, it seems to
6 me that given the several clocks that are running and the
7 perception on the part of a number of people that we should
8 work off that inventory, that it is being worked off, again,
9 not perfectly, as I said, but I think in a fairly reasonable
10 fashion.

11 If there's a better way to do it, I'd sure like to
12 hear about it.

13 MR. LEWIS: Let me put a slant on what Bill just
14 said. If I understand you, what you are illustrating is part
15 of the problem that we're meeting here because what you're
16 saying is that for each of these issues that the staff is
17 dealing with, it's doing as well as it can given the incoherent
18 guidance it has from higher levels. I don't think any of us
19 have disagreed with that but we are concerned with the higher
20 levels and concerned with the fact that the guidance that
21 you're getting and these various clocks that you're hearing
22 ticking although modern clocks don't tick. They sort of hum.

23 MR. BECKJORD: They move forward. I mean, you have a
24 clock, everybody -- there are too many clocks in this
25 organization. I think that maybe --

1 MR. LEWIS: That's our message, in a sense, and
2 you're not really disagreeing with it. Am I missing the point?

3 MR. BECKJORD: No, I'm not disagreeing with that.

4 MR. LEWIS: I think that's what Eric is telling us.
5 He's telling us, he's not bothered in dealing with the
6 individual issues that he's dealing with.

7 MR. KERR: I thought he was going to eventually
8 conclude that things were pretty well integrated and that's
9 what I was trying to --

10 MR. WARD: He is saying, given the boundary
11 conditions, that there is not just a single policy guidance
12 being given to the whole. The staff is doing as well as they
13 can.

14 MR. SIESS: Let's take the generic issue thing. The
15 Commission was probably worse than anybody else on time tables.
16 They always want to know, how many have you got done, how many
17 are you going to get done next year and so forth and so forth,
18 except that the Commission was never concerned beyond the point
19 of resolution and of course, resolution was a piece of paper.
20 Implementation is what made plants safer. Implementation is
21 what costs money. Implementation is what should be integrated
22 because sometimes the fix should be integrated with some other
23 fix and the Commission never paid much attention to
24 integration.

25 So most of the GI's that have been resolved, the

1 resolutions have not been particularly integrated because of
2 the timetables and just trying to get them out of the way but
3 there's been plenty of room for resolution of the
4 implementation, either by fitting it into the IPE, the fixes
5 that come out of the IPE, looking at the IPE and seeing whether
6 they're really going to fix an outlier, whether they are really
7 going to reduce probabilities of core melt or not, you see.

8 So again, the time table goes open.

9 MR. BECKJORD: I understand what you're saying.

10 Well, it seems to me the issue there is, how are you
11 going to deal -- what degree of perfection do you want in these
12 solutions? If you want a high degree of perfection in it, then
13 you wait until all of the information is developed and then you
14 can sort it out and decide what ought to be done.

15 That kind of process doesn't get generic issues
16 resolved.

17 MR. KERR: Eric, the ultimate objective is safe
18 plants -- not the resolution of generic issues, and when we
19 talk about integration, we're talking about a process which
20 doesn't have a plant going in one week and working on something
21 and then the next month coming in and doing something
22 else which may resolve re-doing or over-doing what has been
23 done the month before.

24 That's just not a good expenditure of plant
25 resources. It's not a good expenditure of NRC resources. It

1 doesn't lead to increased safety.

2 MR. SIESS: Our concern has been at the
3 implementation level. Integration of what they do to plants,
4 what NRC does to plants, what utilities do to plants, because
5 plants are the source of concern -- not paper, not regulations,
6 and so forth.

7 We just haven't seen it. It was something came in
8 the other day from a utility that had done two out of the three
9 ATWS fixes and they don't want to do the third one because
10 after they did two of them, they did a reanalysis and found out
11 that there's absolutely no benefit from doing the third one.

12 MR. REMICK: That's right. This was in response to
13 our letter on the first hand reliability.

14 MR. SIESS: Now there was a resolution and the
15 resolution doesn't permit you to look at whether you've
16 improved safety and what's the most economical way to do it or
17 maybe if I'd done something else, I wouldn't need to do this.
18 Most of our problems I think are in the implementation -- not
19 in the resolution.

20 MR. LEWIS: I think we are concerned really at a
21 higher level and I think everyone is saying more or less the
22 same thing at this point, that there's a concern that goes
23 beyond the staff's implementation of the specific jobs that it
24 has to implement and that's our concern and a certain sense, at
25 the very beginning, we noticed that we brought a lot of very

1 high-powered, splendid people from the staff here for today's
2 meeting but there is no emperor apparent who is going to look
3 down at all these individual things and ask whether they make a
4 whole devoted to the safety of the plants.

5 There's no change in the safety level of a plant when
6 an issue is labeled resolved. There's no quantum jump which
7 suddenly makes the plant safer.

8 MR. BECKJORD: No, it's only when something is
9 changed.

10 MR. LEWIS: Everyone knows that. You know, what I'm
11 going to do is I'm going to exploit the fact that I'm Chairman
12 by default of this session and even though the agenda doesn't
13 say we're going to have a break, I'm going to give us a break.
14 So let's give ourselves 15 minutes, fellows?

15 MR. REMICK: It follows up on what you said and I'm
16 sure that Mr. Taylor has very important things to do today but
17 I can't help but personally be surprised that he's not here
18 because as I say, I think this is EDO office and I am
19 surprised he's not here before us and I'm not saying he doesn't
20 have more or other important things to do and so forth, but I
21 add that to it.

22 MR. LEWIS: Talk to the Commission about it, Forrest.
23 Let me give us a 15 minute break. Be back here at a quarter
24 past; okay?

25 [Recess.]

1 MR. LEWIS: I have the impression that we talked a
2 lot at each other before the break, and I have to say that the
3 impression I have -- this is purely personal -- is that what
4 Forrest said just before the break is relevant, that nobody --
5 I do think you people, who have been kind enough to come to
6 visit us here, are being a little bit defensive, but I can
7 understand that -- I would be in your shoes, but I have the
8 impression that you really don't have the responsibility for
9 the problems that we're concerned with, that these really are
10 issues that require some guidance at a higher level.

11 There have been references to CRGR. CRGR is a
12 Committee -- that's what the "C" stands for, and it's a
13 Committee that was superimposed on the organization when some
14 of these problems of incoherence, as I recall, sort of got of
15 control, and people were concerned about them, and you don't
16 resolve questions of having a corporate philosophy or an agency
17 philosophy by forming a new Committee.

18 I don't regard the staff people, who have been good
19 enough to come to us, as the culprits or the enemy or the guilt
20 parties in this thing. I think we're all in this together in
21 trying to find some sort of coherent policy, and we're really
22 talking about where the -- I hate to use the word "leadership",
23 but where the leadership for the agency is, and Forrest has
24 referred to a safety philosophy, and "philosophy" is, in some
25 universities, a dirty word, but I think that is what we're

1 groping for, and I think we're all thin on solutions to the
2 problem, other than the obvious ones, which are that all the
3 Commissioners should be four times as marvelous as they already
4 are and they ought to have a really splendid advisory committee
5 that helped them out with solutions to these grand problems,
6 but those are achievable objectives.

7 So, I think the best way to spend the rest of our
8 time is, essentially, exchanging views about what can be done,
9 but only if we agree that there is a problem, and I think we're
10 not entirely unanimous on that, although I think our Committee
11 is unanimous that there is a serious problem. I believe that's
12 true.

13 So, I would just open the door to anyone to talk, at
14 this point.

15 Carl?

16 MR. MICHELSON: Well, can we handle these leftover
17 questions from the previous segment?

18 MR. LEWIS: Sure. Absolutely.

19 MR. MICHELSON: There were some I didn't get a chance
20 to ask.

21 MR. LEWIS: Sure. I'm sorry. I apologize. That's
22 right.

23 MR. MICHELSON: Frank, I wanted to ask you about this
24 question of -- I believe you indicated that you were the focal
25 point for the flow of the paperwork and that you try to assure

1 that it's coherent and works out.

2 MR. GILLESPIE: Yes.

3 MR. MICHELSON: So, presumably, if this is working
4 correctly, when a product is issued, it is, in your view, at
5 least, a coherent product and ready to be implemented.

6 So, my concern is one the implementation process
7 starts, is there any general overview of this process -- not on
8 an ad hoc, witch-hunt basis, but -- you have assured that the
9 paper looks good, but that doesn't assure the implementation
10 will be coherent.

11 Who is the focal point for assuring that the
12 implementation is coherent? Do you consider you're the point?

13 MR. GILLESPIE: I think I'm inheriting that right
14 now, because no one raised their hand when that question came
15 up. You know what we went through with the TMI items on
16 implementation, what we're going through now with the USIs. We
17 have a request out very similar to the TMI items, just giving
18 people longer to respond. We'll go through a similar effort on
19 the GSIs.

20 MR. MICHELSON: So, you think you are also the focal
21 point for assuring that the implementation is coherent.

22 MR. GILLESPIE: The projects organization is, right
23 now, the focal point for ensuring implementation.

24 MR. MICHELSON: That ensures implementation, but does
25 it assure the coherence of the implementation?

1 MR. GILLESPIE: The way we've had it set now, for the
2 last 2 years, every time something comes up that's generic --
3 be it a bulletin or a generic letter or a rule -- there is a
4 single project manager assigned as the lead project manager for
5 that issue, and he is assigned responsibility as an individual
6 to make sure that all the submittals from all the licensees are
7 consistent with what it's supposed to be, so that no one
8 licensee is, hopefully, getting ratcheted above and beyond, and
9 no one is being allowed to do less.

10 MR. MICHELSON: Now, how does assure that individual
11 project members are properly integrating so that their
12 collective action is coherent? Because it may be that there
13 has to be a priority in a particular implementation process,
14 and that goes across several boundaries.

15 Are the point that assures this --

16 MR. GILLESPIE: No. The project manager on the plant
17 becomes the point for that, and I think the freedom we've given
18 people in the past is showing up -- actually coming up to bite
19 us now.

20 MR. MICHELSON: Well, it's not a project manager,
21 then, for that particular item or issue, but rather, the
22 project manager for the plant that --

23 MR. GILLESPIE: Yes. There's two questions of
24 integration there. One is to assure some consistency in the
25 issue itself, and that's the issue project manager -- when it

1 gets done at a plant, what the schedule looks like.

2 Our project managers actually have a large degree of
3 flexibility in negotiating with a licensee when they're going
4 to do something, and in fact, that has come up and bite us,
5 where we have given them that type of freedom, before we had
6 this issue project manager to flag when something looks like
7 it's taking too long, and things like the TMI items seem to get
8 stretch out inordinately, in some cases. ATWS got stretched
9 out.

10 MR. MICHELSON: How does this assure that, from
11 region to region, the coherence that you built into your
12 documentation is being carried out consistently? The project
13 manager is on one plant, and I think that's the project manager
14 you were referring to. How do you assure that, from plant to
15 plant, your intentions are being carried out, other than having
16 an ad hoc committee, one day, go out and ask?

17 MR. GILLESPIE: There are very few of these. so I
18 won't say that this is a blanket solution, but in those items
19 which are considered important enough for us to have to go out
20 and actually look at and see and confirm that it's there the
21 way we wanted it, that's when a temporary instruction would be
22 issued for the inspection people, but that is not done on a lot
23 of items, but there is one that's going to be issued for things
24 like station blackout. There was one issued for ATWS.

25 MR. MICHELSON: Well, let's take maintenance, for

1 instance. You kind of assured yourself that there is a
2 coherent program and that the paper that came out, so far, is
3 producing a coherent proposal.

4 Now, what are you doing on maintenance to assure that
5 it's being carried out consistently throughout each region?
6 Are there maintenance inspections going on and so forth?

7 MR. GILLESPIE: Maintenance --

8 MR. MICHELSON: Maybe that's a bad example.

9 MR. GILLESPIE: Maintenance is a policy statement
10 that we're still fighting through.

11 MR. MICHELSON: Why don't you choose an example of
12 what you think is being -- that you are following -- what your
13 follow-up program is on some other example? We won't take
14 maintenance.

15 MR. GILLESPIE: To clean up emergency operating
16 procedures. In fact, we had a problem of lagging reviews on
17 these procedure generation packages, and it was kind of an
18 internal procedure. You didn't bless someone's emergency
19 operating procedures until the procedure generation package was
20 reviewed in headquarters.

21 MR. MICHELSON: Was that a responsibility of the
22 individual project engineer on the plant to carry that through?

23 MR. GILLESPIE: No. He passed it off the tech staff
24 over in Human Factors.

25 MR. MICHELSON: So, it was a different kind of a case

1 than where the project engineer carries it out, because that
2 was your original argument. You said your project engineers
3 are what implement the paperwork.

4 MR. GILLESPIE: They deal with the scheduling of it.

5 MR. MICHELSON: I am concerned that, even once you
6 assure yourself you have a consistent package -- that it is
7 coherent and that, if implemented properly, it should do the
8 job -- I am concerned how you know that it's being implemented
9 properly.

10 MR. GILLESPIE: There is a very, very limited
11 verification on our part that it was implemented properly.

12 MR. MICHELSON: But whatever that is, it comes back
13 through you?

14 MR. GILLESPIE: That comes back through me, and that
15 decision has been made, at least for the last 2 years, up
16 front.

17 MR. MICHELSON: Even though it's now in the
18 implementation process and it's the responsibility of
19 individual project engineers, perhaps, it still comes back
20 through you to assure integration?

21 MR. GILLESPIE: Yes, and that's, in particular, done
22 on every generic or anything that could be considered a multi-
23 plant action. Before it gets our office's concurrence in it,
24 if it's going to require verification, if it's going to require
25 someone to go out and eyeball it, then the instructions to the

1 person who is going to go out and eyeball it have to be written
2 and go as part of the package.

3 MR. MICHELSON: What kind of program in your office,
4 then, do you have, or what kind of an operation do you carry
5 out to kind of assure yourself that these plans are being
6 implemented properly, since you are responsible, I guess, for
7 the implementation -- the proper implementation?

8 MR. GILLESPIE: It kind of comes together in my
9 group, unfortunately.

10 MR. MICHELSON: What do you do, routinely, to kind of
11 assure that things are going well?

12 MR. GILLESPIE: In the past, that was our problem.
13 We didn't do anything routinely.

14 MR. MICHELSON: That's a perfectly good answer.

15 MR. GILLESPIE: Unfortunately, I can't get defensive,
16 but we weren't doing anything routinely to assure they were
17 going well.

18 MR. SIESS: You didn't even know.

19 MR. GILLESPIE: That's right.

20 MR. MICHELSON: I've heard of some of these ad hoc
21 things we're now doing and some of which have been done in the
22 past, but I was wondering more about how do we assure that
23 until it becomes a real problem that things are going well?

24 MR. GILLESPIE: What we're doing now on the TMI items
25 -- which is also what we're going to do on all the USIs, GSIs,

1 bulletins, and generic letters -- is, from that baseline, we're
2 now -- two things -- ensuring that no one can write off on it -
3 - the project manager cannot write off that's something been
4 implemented unless we have a piece of correspondence from the
5 licensee saying he did it and that the correspondence reads
6 like he did do what he was supposed to do, and that audit or
7 quality function has now been put in my staff.

8 So, we're doing an over-check of projects, who has
9 the line responsibility for getting that done.

10 So, we're now starting to put positive checks in to
11 make sure that one PM doesn't say well, geez, I went out and it
12 looks like they did it. We need to have a description in the
13 document of what they did.

14 MR. SIESS: But suppose a licensee comes back and
15 says I've done a PRA and I've looked at this and I don't get
16 any benefit out of doing this? Now, it's been resolved. The
17 Commission's told it's resolved. The resolution says thou
18 shalt do this, and the utility wants to integrate the fix with
19 something else. Is there anybody in NRR or anywhere else in
20 the NRC whose job it is to help him integrate it or to prevent
21 him from integrating it or even recognize that there might be
22 somebody that wants to do that?

23 MR. GILLESPIE: That's primarily the project
24 manager's responsibility to bring that to everyone's attention.
25 That's who the licensee is going to write into.

1 MR. SIESS: But then why does it end up being
2 appealed to higher management? Where does it go before it gets
3 appealed to higher management? I mean is higher management
4 anybody higher than the project manager?

5 MR. GILLESPIE: Let me give you the -- I'll call it
6 the Snierek criteria -- that we now use in the office for
7 clearing these issues up.

8 If we're not willing to issue an order, then the
9 person has done what they need to do. So, we've kind of set a
10 subjective threshold, and this came out of asking exactly that
11 question. Many people had done many things in the TMI vein and
12 they had completed things like control room design reviews,
13 except they got 95 percent of the way through it and decided
14 they were going to buy new instrumentation. They said we can't
15 say we're done until the new instrumentation shows up.

16 We went back to the technical staff. They said
17 they're not done. They said how would the order look? How
18 would we issue an order to tell them to do it? What's the
19 safety basis of what needs to be done?

20 So, within the office, for about the last 4 months,
21 we have now started to set that as a subjective threshold, and
22 in our last EDO program review, which is about 3 weeks ago, we
23 said we intend to use that same threshold in clearing up the
24 USI implementations.

25 So, as a cultural problem, we're now trying to get

1 into the whole office that just because someone said to do it
2 doesn't mean you shouldn't look at it and say does it really
3 still need to be done?

4 MR. SIESS: Okay. Let me ask you one other question.
5 You said one of your jobs is cleaning up the EOPs. Is there a
6 clear line, in your mind, between an EOP and accident
7 management?

8 MR. GILLESPIE: No.

9 MR. SIESS: We're going to get the EOPs all clean up,
10 then we're going to start in on accident management, and is
11 that starting over or is that a new layer on top?

12 MR. GILLESPIE: No. What we wanted to cleaned up was
13 that this backlog of reviews we supposedly were going to have
14 to do would be based on performance. So, we got out and see
15 how people operated with their current emergency operating
16 procedures. Could they do it? Were they trained adequately.

17 That defined the process, and now, we wrote off on
18 the process.

19 MR. SIESS: It's implementation now

20 MR. GILLESPIE: It's implementation.

21 Accident management is, indeed, an extension of the
22 EOPs. It's not a totally new animal. I mean it's clearly an
23 extension. The BWRs have probably extended, already, into what
24 would be considered, if there was a line.

25 MR. SIESS: Is it possible that, under accident

1 management, you might find that some of the EPOs are wrong?

2 MR. GILLESPIE: Under accident management, if you
3 tell people they should consider how they use all available
4 systems, with all available being more important to whether
5 they are safety grade, indeed someone may say it's going to
6 make more sense to go back and do something different or change
7 the order in a procedure.

8 I think that's a highly likely outcome. Also, what
9 is highly likely is for a facility to come in and say the
10 framework -- and framework is the management structure that
11 digests information and says this information needs to be acted
12 upon or doesn't need to be acted upon.

13 Some facilities could come back in and say but we've
14 basically got that framework in place already and extend some
15 of the committees that already exist, which would go more
16 toward saying that accident management is truly an extension of
17 a process we've already got in place. It's like revision one
18 to the overall process.

19 MR. REMICK: I'd like to ask a Frank a somewhat
20 related question. We talked about how the staff is attempting
21 to integrate and I'm glad to hear it. I agree with the
22 comment, I think, that Dave Ward made earlier. We haven't seen
23 the evidence of it yet, but I'm glad it's being worked on.

24 There's another thing that does worry me about some
25 of the things that we see. The specific example I would give

1 you is the staff proposed a policy statement back six or eight
2 months ago on standards of professionalism and conduct of
3 operations.

4 It's something that I've referred to since then as an
5 editorial monstrosity and we wrote a fairly strong letter
6 pointing out that it was sub-par. I was embarrassed to think
7 that something like this would be submitted to the Commission
8 with so many typographical and inconsistencies. I don't know
9 whose toes I'm stepping on at the moment.

10 What do you do within the staff from the standpoint
11 of trying to make sure that the best quality goes forward to
12 the Commission? To me, that was less than professional
13 document and should have never been submitted. I had to be
14 embarrassed. I would think the EDO -- I assume it was NRR, so
15 to the Office Director, or maybe they thought we were all wet.
16 But it really was terrible.

17 What does the staff do to try to make sure that the
18 documents have internal consistencies and aren't are filled
19 with typos and things, if anything?

20 MR. LEWIS: What does the ACRS do?

21 MR. GILLESPIE: I'm trying to think back.

22 MR. REMICK: I don't want to belabor that one too
23 much, but it was an example where the system fell down, if
24 there is a system.

25 MR. GILLESPIE: Nothing comes up to the 12th floor

1 without going through a technical editor, to start with. So as
2 a minimum, the English and the typos and the spelling we would
3 hope to be correct between everyone who reads it, plus giving
4 it to a technical editor.

5 In fact, there is a technical editor concurrence
6 block on everything that comes through our office. If it's not
7 signed, no matter who is acting for Tom when he's out, the
8 instructions are we don't care what the schedule is, if the
9 technical editor hasn't signed off on it, it doesn't go.

10 So to a degree --

11 MR. REMICK: There must have been a breakdown in that
12 case.

13 MR. GILLESPIE: To a degree, in our office, the
14 English major has much more power than any of the technical
15 staff in the office to stop something.

16 MR. REMICK: This is one, then, that the Commission
17 staff took a hold of and completely rewrote and it was issued
18 just before Chairman Zech left. So that's the timescale.
19 Gary, do you know what letter I'm referring to? The ACRS
20 letter was fairly critical and somewhat nasty.

21 I just wonder. You do require a technical editor,
22 but there are some things maybe a technical editor may or may
23 not have caught. There was just inconsistencies with what was
24 being said.

25 MR. GILLESPIE: Inconsistencies, we can't expect a

1 tech editor, between enclosure one and the body of something.
2 That has to be picked up by the tech staff.

3 MR. REMICK: The tech staff.

4 MR. LEWIS: There are now actually reasonably good
5 programs for correcting grammar, believe it or not, at the PC
6 level. They've gotten very good reviews as taking the worst
7 material and making it acceptable. It doesn't turn it into
8 literature, but it makes it acceptable.

9 MR. MICHELSON: There are nice spelling checkers,
10 too, and yet misspelled words show up. You have to wonder if
11 they just didn't bother to recheck the spelling or what
12 happens. The next thing is to check the grammar where you can,
13 as well.

14 MR. GILLESPIE: We do have a positive process in
15 place. The EDO has most recently given us additional guidance
16 to say we try, not that we will be trying, keep it short, keep
17 it terse. I think Jim Blaha wrote a letter that had eight or
18 ten different points with examples.

19 When it comes through me now, I pull out my list of
20 examples from the EDO's office and as a minimum I want to make
21 sure that I'm not stepping on their toes, because they've got
22 checkers up there that check it for the same thing.

23 MR. WARD: What are the examples with the policy
24 guidance?

25 MR. GILLESPIE: The EDO has taken significant hold of

1 the lack of quality in papers going to the Commission.

2 MR. REMICK: I hope in those directions they said
3 make your letters as clear as ACRS letters.

4 MR. GILLESPIE: He forgot to use that example.

5 MR. LEWIS: If there's a process in place and it
6 hasn't worked occasionally, if you were a licensee, you'd be
7 fined for it, wouldn't you?

8 MR. GILLESPIE: Commissioner Curtis told me, when Tom
9 and I were talking to him on the lack of documentation on
10 implementation of issues, that since -- he said something like
11 since Zimmer costs \$2 billion and we shut that down, that's
12 four times the NRC's budget; maybe we should shut the NRC down
13 for four years and let it catch up.

14 We're trying hard. We know that there's a lot of
15 sentiment which frustrates us because I don't think it
16 recognizes a lot of times that we are trying hard to correct
17 those things. In fact, some of these things, particularly on
18 the implementation, are a major change in staff direction.

19 In the past, NRC management, and collectively,
20 everyone who has been involved in NRC management, has generally
21 accepted the staff checking things off or putting a yes on a
22 list. No one said let me see the source document from the
23 licensee that that's been implemented.

24 That's a significant change in direction and, in
25 fact, a significant education process for the whole staff

1 within NRR.

2 MR. SISS: You said the whole staff with NRR. What
3 about the regions? They're doing 90 percent of the contact
4 with operating plants, aren't they?

5 MR. GILLESPIE: As it happens, I&E was a much better
6 office for documenting things. Our ability to go back and find
7 which bulletins were looked at in which exact inspection report
8 is very, very good, because I&E had a function that said every
9 bulletin had to be followed up and had to be charged against this
10 inspection procedure.

11 So on things that they dealt with, generic letters
12 that were important had temporary instructions issued. The
13 ability to cross it and come up with a source document that
14 said who went out and eyeballed it and when did the licensee
15 write in was actually very, very good.

16 Which is why I definitely said we in NRR, and not we
17 in the NRC. Because if there is any piece of the system that's
18 working, the bulletin part on implementation is very easy to
19 follow to go back and get the name, date, time, when it was
20 done, who looked at it, what deviations were found, which SERs
21 were reviewed. So there is good documentation. There was a
22 good system in place of checks and balances there to make it
23 happen.

24 MR. KERR: Frank, if I could change the direction a
25 little bit. In the regions, there seems now to be a great deal

1 of emphasis, particularly for problem plants, on self
2 assessment, very elaborate self assessment projects they're
3 undergoing.

4 I assume that since the NRC has concluded, or at
5 least the regions have concluded that this is so important,
6 that the regions must also have self assessment programs,
7 formal self assessment programs.

8 Are you aware of these?

9 MR. GILLESPIE: That the regions have?

10 MR. KERR: That they do for themselves.

11 MR. GILLESPIE: That they do, each individual region,
12 for itself?

13 MR. KERR: Yes.

14 MR. GILLESPIE: Not specifically. I'm aware of what
15 we do to the regions.

16 MR. KERR: Since this is deemed to be an extremely
17 important thing for organizations and power plants, I would
18 think that the staff would want to try it out on itself and,
19 indeed, I had assumed it had.

20 MR. GILLESPIE: It has.

21 MR. KERR: So they do periodic self assessments?

22 MR. GILLESPIE: We do periodic self assessments of
23 the whole inspection program.

24 MR. KERR: When a utility is asked to do a self
25 assessment, it does it itself. It doesn't ask somebody else to

1 come out and do it. And one of the regional staff judges a
2 utility's fitness for duty or startup by how good a self
3 assessment program. I assumed that since this was almost an
4 article of faith in terms of utility organizations, that
5 probably the staff had already tried this out on itself and had
6 found it to be useful. It has not, I take it.

7 MR. GILLESPIE: No. I can't talk whether individual
8 regions have decided to have a program in place formally to
9 self assess themselves. When we self assess the program, it's
10 the program including the regions and headquarters.

11 MR. KERR: But that is, in effect, headquarters
12 assessing the regions, which is --

13 MR. GILLESPIE: No. We take lots of shots at our own
14 people. No one likes me. I input to everyone.

15 MR. KERR: The region organizations don't have a self
16 assessment program in place, so far as you know.

17 MR. GILLESPIE: Not that I'm aware of. We've gone in
18 and asked have you done any self looks, because just as any
19 good inspector, when we look at them, we like to see what they
20 did themselves. They tend not to have a formal document or any
21 kind of report to give us.

22 MR. SIFSS: Bill, just in case you haven't noticed, I
23 don't think the regions have a quality assurance program in
24 place, either; but, they think it's rather important that the
25 utilities do it. I don't think the regional employees have to

1 meet the fitness for duty requirements to get in a nuclear
2 plant, although all the employees of the utility have to meet
3 it. So take your tongue out of your cheek.

4 MR. GILLESPIE: You're right. That's something
5 that's changing. The EDO has an initiative on right now for
6 quality programs in all the offices. You're right. And that's
7 also something --

8 MR. SIESS: I appreciate you referring to them as
9 quality programs, but all the other programs are called quality
10 assurance programs. Are you making a distinction?

11 MR. GILLESPIE: No.

12 MR. SIESS: I do, now.

13 MR. GILLESPIE: This is to produce quality, but it
14 will produce some paper along the way. We had Frank Hawkins
15 from our QA group and Drew has kind of got the lead, as much as
16 he dislikes it, to produce an overall quality document and look
17 at how we're doing things in the office and get it a little
18 more systematic. Put that includes training of individuals.

19 There are significant office policies which, if you
20 add this -- this relates something to when you said if you ask
21 an inspector about a policy, will he be able to give you an
22 answer that's the same one you'll get through the whole chain.

23 Probably not, because he doesn't know what the policy
24 is. He kind of knows enough to do his job and that's what he
25 does. We've got a similar problem in NRR. So we're embarking

1 on trying to articulate these policies in one concise place. I
2 mean, like in five to ten pages only. And then actually hold
3 training sessions in small groups, not just large lectures to
4 put people to sleep, to try to get the policies down to the
5 people who are doing the work.

6 MR. KERR: That must be a revolutionary idea to have
7 the people in the organization understand what the policies
8 are. I think it's a great idea.

9 MR. GILLESPIE: I don't know if it's a revolution.
10 We're taking the first step right now and all the offices have
11 been asked to report back to Jim Taylor November 27 with a
12 report on how they would intend to approach it. I think, Chet,
13 it's a quality program, but includes quality assurance. So we
14 have taken that step.

15 MR. SIESS: Where is that located? Frank Hawkins is
16 under you?

17 MR. GILLESPIE: No, we drafted them. We drafted them
18 for --

19 MR. SIESS: But where is Hawkins in NRR?

20 MR. GILLESPIE: DLPG, Jack Roe's division, the
21 performance assessment branch.

22 MR. PERSINKO: It's not called QA any longer, it's
23 performance evaluation, I believe.

24 MR. SIESS: What division?

25 MR. LEWIS: Are these policy guides in draft form

1 now, or --

2 MR. GILLESPIE: No. We have got one that Tom Murley
3 actually personally wrote for him and Jim Sniezek when the
4 reorganization took place. In going back and looking at it, we
5 have to do some -- the broad words are okay, but to a large
6 extent there is an imbalance in the organizational assignments
7 of responsibility and expectations in that initial policy book.
8 So we do have a starting point.

9 MR. LEWIS: But it is not in draft form yet?

10 MR. GILLESPIE: No.

11 It should be DLPQ, Chet, under Jack Roe. And then
12 under Tony Gody's branch.

13 MR. SIESS: I got it.

14 MR. KERR: Is there somebody in NRR that regularly
15 reads the SALP reports and the cover letters that accompany
16 them?

17 MR. GILLESPIE: Yes. That is assigned to Tony Gody's
18 branch, performance evaluation branch, which is also the same
19 branch that pulls all the material and writes the synopsis of
20 all that material for the senior management meetings.

21 MR. KERR: Is there any perception in NRR that at
22 least some of the regions are becoming involved in what I would
23 call micro management of power plants?

24 MR. GILLESPIE: Maybe I should take the Fifth
25 Amendment on that.

1 MR. KERR: Well, that's okay with me.

2 MR. GILLESPIE: There is some -- we are hashing
3 around now at least internally not the SALP process, because we
4 all feel that the SALP process, as a process, taking periodic
5 stock, is necessary, necessary to communicate with the
6 licensee, and necessary for our own perspective.

7 But the fact of the reports got to 30 pages and we
8 kind of put out guidance that said keep them down to 25. Well,
9 heck, it probably doesn't really take 25 pages to get down
10 concise --

11 MR. KERR: I wasn't so much talking about the process
12 as its results.

13 MR. GILLESPIE: Well, what happens is when you write
14 25 pages you start getting really down into a lot of nitty
15 gritty detail and making recommendations that could be viewed
16 as micro management, and implying direction. And we are
17 starting to look very closely at them for that.

18 MR. KERR: I don't think you have to look very
19 closely to find it, either.

20 MR. GILLESPIE: Well, we are finding it; we are
21 finding it.

22 MR. KERR: It's there, and in large measure, it seems
23 to me, because I do read some of these things, and I am not
24 sure that I can find the right word without -- I mean I'm
25 really concerned about plant safety, because the NRC staff, I

1 think, is competent and dedicated, but I do not believe that it
2 includes very many people who know how to run a power plant.
3 Now maybe the utilities don't, either, but I am reasonably sure
4 that neither the ACRS nor the NRC staff can run a power plant.
5 And I see evidence that seems to me to suggest that the
6 regional people are trying to do that. Maybe unconsciously.

7 And to me, this is a real safety concern.

8 MR. GILLESPIE: I think we are recognizing the same
9 thing. I'm not sure how we're going to fix it right now, but
10 at least Sniezek and I have talked before Tom left about
11 exactly that. It is the SALP information and the way it's
12 digested and the way it's formulated, driving people to do
13 things that we may not be in a position to necessarily be --
14 that we should be making those decisions to drive them in that
15 direction.

16 It's not to eliminate the process; it's let go back
17 in and look at the basic principles the process was put in
18 place for. And if we go back to those basic principles, we
19 have probably got a lot of extraneous things now, or extras
20 that have hung on the process since about 1978, when we first
21 put it in place, which we need to go back and reassess and say
22 should those extras really be there any more.

23 We have allowed it to grow to what it is, and Tony
24 and Jack Roe have been asked now to go back and re-look at it.
25 In fact, we have got a Commission paper due January 10th, which

1 is supposed to address the re-looking at SALP.

2 The catalyst for it, of course, was the PUC in
3 Massachusetts using SALP ratings as part of one element to how
4 much money Boston Edison was going to make or not make. But
5 that catalyst has now caused us to delve into the whole process
6 and ask should we go back to the basic principles we put it in
7 place for, which were very simple principles.

8 It was two or three 3 x 5 cards for the regional
9 administrator to have in his hand periodically to talk to the
10 vice president of nuclear, and it was to give us a perspective
11 on who should we be inspecting more or less in what areas.

12 MR. KERR: It seems to me that basic principle is
13 sound and could be workable and, as you point out, it may have
14 gotten out of hand.

15 MR. GILLESPIE: We might have lost the basics over
16 the last 10 years a little bit. But we are going back now and
17 re-looking at it.

18 MR. WARD: Mr. Chairman, do you consider that we are
19 on the subject of --

20 MR. LEWIS: No.

21 MR. WARD: Okay.

22 MR. KERR: If that was a comment on my last set of
23 questions, and you're asking me, yes.

24 [Laughter.]

25 MR. LEWIS: There's been a drift off the subject for

1 the last hour or so. It's all related to the subject, though,
2 because it all has to do with the problems of how the NRC is
3 managing itself, evaluating it, transmitting its philosophy,
4 such as it is, to the regions and through the regions to the
5 plants, and in that sense, it is central. But it's going to
6 leave us with the problem, which we are going to confront after
7 lunch, of just what we can advise the Commission to do in
8 perfect English, with excellent grammar, and without
9 unfortunately going through a technical editor.

10 MR. WARD: Could I ask a question? I think Eric
11 Beckjord gave voice to one of the more significant issues here
12 when he said that the staff is doing the best that it can,
13 given there are a number of clocks running, which means -- I
14 think what he means is there are a number of different policy
15 imperatives being forced on the staff, and it seems to me
16 that's the source of the problem, and I would like to somehow
17 -- I don't know quite how to -- I'm not sure I know what all
18 those are. Perhaps it might be useful if Eric could identify
19 to us his perceptions of what those are, and maybe even what
20 can be done about them, or does he think anything should be,
21 whether it might be desirable to try to do anything about them.

22 MR. LEWIS: Well, Dave, before he does that, that is
23 really the kind of central -- the thing we've been talking
24 about, and we have talked about in many letters, many, many
25 times, are issues that Forrest has called safety philosophy or

1 you might call leadership. In a sense this is an agency
2 functioning either, depending on your attitude, either without
3 leadership or with too many leaders, which is almost the same
4 thing.

5 It has that reputation, and rightly so. People have
6 talked about changing the Commission to an administrator form
7 in the hope that the problem that Forrest alluded to of having
8 five Commissioners might be alleviated a little bit if there
9 were somewhere an emperor.

10 But that's, I think, in the end what we are talking
11 about, and the options are to make major changes in the
12 organization of the agency. Again, as Forrest mentioned, the
13 offices are in the law. That is not something that can be
14 fixed without changing the law, insofar as I know. People
15 aren't proposing that at this time.

16 The other recommendation, which never does anybody
17 any good, is to somehow get finer people to do all these jobs,
18 including serving on ACRS. That doesn't do much good, either.

19 So in a sense what we are going to have to cope with,
20 I think, is the problem of how to try in the existing
21 organization to provide some advice to the Commission, which is
22 the only thing we can do about how they can generate and force
23 somewhat better and more coherent leadership within the
24 organization, to force a philosophy.

25 I found it interesting that when Wayne showed a

1 viewgraph that showed the areas in which the staff is getting
2 what he called regulatory guidance, a list of things on which
3 there is no regulatory guidance, if I remember correctly --
4 correct me if I'm wrong -- and one in which he said there was
5 regulatory guidance which was the backfit rule.

6 But in the case of the backfit rule, the staff
7 doesn't get regulatory guidance. What it gets is a threshold
8 above which one regulates and below which one doesn't regulate,
9 and maybe that is the first step toward regulatory guidance,
10 but that is not regulatory guidance, in my book.

11 So it is this class of things that we have to deal
12 with and provide some advice to the Commission. We are going
13 to have to grope with that.

14 MR. SIESS: Chet, could I ask one more questions, if
15 I may?

16 MR. LEWIS: By all means.

17 MR. SIESS: Since we are talking integration, why has
18 the industry -- why, in your opinion, has the industry shown so
19 little industry in ISAP?

20 MR. GILLESPIE: I met with Hal Tucker and with
21 Cordell Reed on it.

22 MR. SIESS: With who?

23 MR. GILLESPIE: Cordell Reed and Hal Tucker.

24 MR. SIESS: Okay.

25 MR. GILLESPIE: One on one, and Cecil Thomas at the

1 time met with several other utilities, and their general
2 comment was that the plants that are not interested tend to not
3 have enough on their plate to want to allow the NRC to get into
4 their planning process. The way ISAP was set up, it was
5 instead of having an approved schedule, where you have a
6 license amendment that says you will do this by this time, what
7 we do is we would review and approve your prioritization
8 process for doing relative ranking, and then if something new
9 came in, you factored into that process, and we'd agree to live
10 by however it comes out.

11 MR. SIESS: That is integrated schedule, that is not
12 ISAP. ISAP had another feature.

13 MR. GILLESPIE: Well, ISAP ended up with an
14 integrated schedule, but it ended up with a risk perspective
15 being fit into it.

16 MR. SIESS: So everything didn't have to be done.

17 MR. GILLESPIE: That's right.

18 MR. SIESS: You could integrate your fixes, not just
19 your schedule?

20 MR. GILLESPIE: That's right.

21 MR. SIESS: If Fix A took care of B, you didn't have
22 to do B?

23 MR. GILLESPIE: You could take care of the
24 synergistic effect of fixing this and not fixing that; exactly
25 right. And when we talked to both Duke and Carolina Power &

1 Light, we did meet with some people from Brunswick, they
2 described what they were doing. Their process, which would
3 probably have been quite acceptable to us, using a risk
4 perspective internally and they have it well documented in
5 procedures that they follow, in setting what they're going to
6 do when. But they didn't want us approving their process.
7 That gave them real heartburn.

8 MR. SIESS: But now why then was Northeast Utility so
9 enthusiastic? Because they're not afraid of dealing with you?

10 MR. GILLESPIE: Two things. I guess it's a success
11 story on selling mutual trust, but then there is also another
12 factor in that when they took two years, which we agreed to, to
13 develop their procedures, virtually everything was put on hold
14 for two years, until they did it.

15 MR. SIESS: That's right. That has been true of a
16 lot of others where it wasn't even agreed to.

17 MR. GILLESPIE: Well, that's true, and then when they
18 went through this prioritization in using a risk perspective --
19 I forget the exact number, but there were a considerable number
20 of issues that got dropped off, and it worked very favorably to
21 them, because they were able to say if we do this, then we have
22 no need to do that.

23 MR. SIESS: Of course, they had had the SEP
24 experience with Unit 1.

25 MR. GILLESPIE: Yes.

1 MR. SIESS: And it was a logical continuation, but
2 then none of the other SEP utilities showed any interest in
3 ISAP.

4 MR. GILLESPIE: We thought it was a reasonably
5 rational approach.

6 MR. SIESS: Does NRR really like ISAP?

7 MR. GILLESPIE: Yes. The problem we had with it was
8 the manpower intensive nature of reviewing the PRA.

9 MR. KERR: But, you see, since that manpower is not
10 occupied with that, it's out making integrated team assessment
11 inspections, so you've got to do something with these people.

12 MR. GILLESPIE: That's right.

13 MR. SIESS: If ISAP is going to work like SEP did,
14 you are going to have to have highly qualified project managers
15 with a lot of clout.

16 MR. GILLESPIE: That's right.

17 MR. SIESS: You can't have the organization run by
18 technical reviewers.

19 MR. GILLESPIE: And that's why ISAP was set up with
20 an ISAP branch which was relatively self-contained, to carry it
21 out. ISAP was --

22 MR. SIESS: If everybody adopted ISAP, it wouldn't be
23 a branch --

24 MR. GILLESPIE: It would be the organization.

25 MR. SIESS: Yes.

1 MR. GILLESPIE: It was an orderly, very -- it was the
2 way to do our job. Unfortunately, the cost was excessive to
3 get there.

4 MR. SIESS: Now you say that there are utilities
5 doing the equivalent of ISAP?

6 MR. GILLESPIE: Brunswick and Duke are.

7 MR. SIESS: Are they coming in and saying I don't
8 need to make this fix, and ask for your approval?

9 MR. GILLESPIE: In those cases there have been -- I
10 forget -- they have done that, yes. They have come in.

11 MR. WARD: How are they dealing with IPE lurking out
12 there on the horizon and with the CPI or with -- you know, all
13 those things lurking out there? It seems to me ISAP, the work,
14 requires a commitment from the staff that these are the things
15 that we want you to do, and we are cutting it off here, and we
16 are not going to come up with any more things for you to do for
17 five years.

18 MR. KERR: Well, it didn't require that.

19 MR. WARD: It should, I say. There has to be some
20 sort of an end to requirements if you expect the utility to
21 make an integrated response.

22 MR. KERR: Only in utopia.

23 MR. WARD: Well, I'm not -- and I don't expect that
24 to be perfect, but there isn't even any approach to it.

25 MR. GILLESPIE: Well, ISAP was a process that allowed

1 on a continuing basis reprioritization, and it was where we
2 bought off on a process, not on a list. So it allowed the
3 utility -- it gave the utility the independence to integrate,
4 but not the independence to change their process at will, once
5 we would agree to the process.

6 MR. WARD: But the ability to integrate
7 implementation intelligently is limited if you think there
8 might be something new coming up in six months. I don't know
9 how much --

10 MR. KERR: Well, certainly this philosophy is built
11 into the SALP process, because the SALP process, right up
12 front, says in order to maintain a particular SALP rating, you
13 have got to improve from year to year. You can't maintain a
14 fixed rating just by continuing to be as good as you were when
15 you got it.

16 MR. SIESS: Frank, the only plus to ISAP is that
17 there might be some things that are costly and time-consuming
18 that they don't have to do. The plus to the rest of us, I
19 think, is the plants might be safer because of that.

20 MR. GILLESPIE: That's true.

21 MR. SIESS: Now the minus to the utility that seems
22 to be affecting them is they don't want to mess with you guys.

23 MR. GILLESPIE: That's true.

24 MR. SIESS: Now what does that tell you about the
25 process? What is there about NRR that they won't pay that

1 price to fix a plant?

2 MR. CARROLL: I don't think it's NRR and the
3 utilities; I think it's any relationship between a regulator --

4 MR. GILLESPIE: It's a regulator and a regulated
5 industry.

6 MR. SIESS: But I mean they are regulated to the hilt
7 already. I don't see that this increment is that big.

8 MR. GILLESPIE: It's a loss of freedom on their part
9 that they don't see that they have to give up.

10 MR. KERR: I think Frank is reporting what he was
11 told, Chet.

12 MR. SIESS: But, Frank, they have already lost
13 freedom. They've got to do the things that NRC has mandated.
14 The things they'd like to do, has got to be put on the back
15 burner, because the regulator is saying do this, this, and
16 this. The other things you want to do, if you can find time
17 for them, if you can find money. But ISAP let them come in and
18 argue that this plant improvement was a worthwhile thing and
19 they could put it ahead of some NRC requirement.

20 MR. GILLESPIE: And that would only be good for a
21 plant that had a lot of things backed up. Unfortunately, when
22 we sent the letter out, as typically happens, what would
23 generally be looked at, if your better performance tends to be
24 more responsive, and they came in and said, gee, let's talk
25 about what it would do and would it be good for us, and those

1 people with not sufficient number of things on their plate to
2 say this was going to be beneficial.

3 MR. SIESS: I've heard that, I just wondered what
4 plants are there that don't have all these -- that have taken
5 care of ATWS, they have taken care of all the USIs?

6 MR. GILLESPIE: Let me just mention, if I could, one
7 success story, I think, in integration since we have been
8 promising the future and saying we're going to get there. I
9 think that was plant life extension, where we did have a
10 workshop yesterday where the points specifically covered were
11 severe accidents; of how does backfit apply or not apply; how
12 does this integrate with the maintenance rule; or how does it
13 not integrate with the maintenance rule, or the maintenance
14 policy statement, or whatever comes out of maintenance, or the
15 maintenance reg guide on the policy statement.

16 We spent two days with the industry, and we made up
17 the agenda and put all of those things -- about anything you
18 could imagine. I do have to admit the safety goal wasn't
19 there, but someone did talk to me about it. How does this go
20 with the IPE, severe accidents was in there. What does IPE
21 mean, is it a prerequisite, do we have to have it done? What
22 does it mean if we don't have everything done?

23 So at least in one major issue that's going forward,
24 there is so much integration right now, it's painful. Because
25 what it does is it raises lots and lots of questions, and they

1 are tough questions to answer.

2 MR. SIESS: You made a good point, because if I look
3 at the record, aging and maintenance are two separate issues
4 before the Commission, and there is no way you can separate
5 aging and maintenance.

6 MR. GILLESPIE: That's what we kept saying, but there
7 were 300 people from the industries saying that they could.
8 You're right, you can't separate aging --

9 MR. SIESS: That is disintegration.

10 MR. GILLESPIE: It is one major policy area where I
11 think everything has really been thrown open, and I think you
12 are going to see both offices are working very closely
13 together. Every session was co-chaired by someone from each
14 office, and all the tough questions were put out there which
15 told us we have a lot of either justification or backing off to
16 do on some areas. We're going to justify some and take some
17 into consideration.

18 So at least in that major policy area, I think you
19 will see everything starting to come together on it.

20 MR. MICHELSON: Now which major policy area are you
21 referring to?

22 MR. GILLESPIE: Plant life extension.

23 MR. MICHELSON: Okay.

24 MR. GILLESPIE: And, in fact, the question was asked,
25 how does aging -- how does the here-and-now aging problem

1 relate to plant life extension, which is the 40 plus problem?
2 And how do the research results integrate into that? So it's
3 one area where everything is being brought together.

4 MR. MICHELSON: It is also an area that the utilities
5 are anxious to get on with, which might make a difference.

6 MR. GILLESPIE: Well, both of us are anxious to get
7 on, since it is the Chairman's number one priority. It makes
8 the ability to work together easier.

9 MR. MICHELSON: Well, also, there is the incentive of
10 20 more years of life out of your investment, which I'm sure
11 entices the utilities; whereas a lot of these other areas we
12 have talked about, there is no carrot out there at all.

13 MR. GILLESPIE: There is a different catalyst there
14 versus a stick to work together and get things resolved.

15 MR. MICHELSON: That is perfectly good if there's
16 something in it for everybody.

17 MR. GILLESPIE: It makes it a more enjoyable project
18 to work on.

19 MR. SIESS: I am still thinking about all those
20 utilities out there with nothing on their plates. I'm going to
21 get the Simms Report and see if I can find them.

22 [Laughter.]

23 MR. GILLESPIE: We stopped publishing the Simms
24 Report.

25 MR. SIESS: I know. I've never any plants with

1 nothing on their plate.

2 MR. GILLESPIE: Not nothing, but there are probably
3 10, 12 plants that have -- you will see half a dozen or less
4 items that are outstanding and they are the plants that are
5 saying we got it scheduled, they're coming up in the next few
6 shutdowns, very orderly. We don't need this.

7 Also you might take a look at the amount of
8 inspection time we spend at plants ranges anywhere from about
9 1800 hours at a good performer to 17,000 at a bad.

10 MR. SIESS: That includes team inspections?

11 MR. GILLESPIE: That includes team inspections.

12 MR. CARROLL: That didn't seem to be the difference
13 between good performers or bad performers, because of all the
14 team inspections. But wasn't that the message we got?

15 MR. WARD: I don't remember that.

16 MR. GILLESPIE: Region I tends to be flat in the
17 middle of the curve, because one of the philosophies of the
18 inspection program is that the resources applied should be
19 proportional within the region to the safety problems perceived
20 at that particular facility.

21 MR. SIESS: They are just a bunch of pessimists.

22 MR. GILLESPIE: We are still working on that as part
23 of the appraisal process, but in fact there are some in Region
24 III, in particular, has always had a big gradation between
25 them, and you do even see in Region I that Pilgrim gets a lot

1 more attention than does Yankee Rowe or Maine Yankee.

2 MR. CARROLL: I don't remember the data saying that.

3 MR. GILLESPIE: What you may not see is that NRR
4 threw about 10 FTE into the Pilgrim problem. When I collect
5 how much inspection is going on, it's every one that's written
6 into an inspection report, and we donated about 10 people to
7 Region I specifically for Pilgrim, because they said they
8 couldn't fully staff it, and something like \$1 million in
9 contractors. So I know Pilgrim got a whole lot more than the
10 other ones, because we didn't donate to them.

11 MR. LEWIS: Are we running out of questions to ask
12 the Staff? Or answers to give us? Either way?

13 MR. SIESS: I think it is time for lunch.

14 MR. LEWIS: I think in that case, I think we should
15 adjourn, take an hour for lunch, and reconvene the subcommittee
16 at 1:15. The staff is welcome to come back, but we do not need
17 the reporter. We are going to have some discussion about the
18 subject at the full committee meeting, I believe it's tomorrow.
19 We are going to have some discussion of this subject at the
20 full committee meeting, I think tomorrow. I will have to look
21 at the agenda.

22 My feeling is that again we won't need you, but you
23 are welcome to come, and in view of the conversation about
24 whether EDO shouldn't supply the guidance on this, EDO is
25 welcome to send a representative to join us. This will be at

1 3:45 tomorrow. It says 3:45 to 5:30, so you might want to pass
2 on that invitation.

3 MR. GILLESPIE: We will pass it on, but I don't
4 promise anything.

5 MR. LEWIS: I think we want to be on the record as
6 having made the invitation because that at one level is where
7 some of these things should be dealt with.

8 With that, we will adjourn for lunch and be back at
9 1:15.

10 [Whereupon, at 12:15 o'clock p.m., the subcommittee
11 was recessed.]

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REPORTER'S CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission

in the matter of:

NAME OF PROCEEDING: ACRS Regulatory Policies

DOCKET NUMBER:

PLACE OF PROCEEDING: Bethesda, Maryland

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

Marilynn Nations

MARILYNN NATIONS
Official Reporter
Ann Riley & Associates, Ltd.

INTRODUCTORY STATEMENT BY THE REGULATORY POLICIES AND PRACTICES
SUBCOMMITTEE CHAIRMAN
NOVEMBER 15, 1989

7-1
①

The meeting will now come to order. This is a meeting of the Advisory Committee on Reactor Safeguards Subcommittee on Regulatory Policies and Practices.

I am ^{Hale} Lewis, Subcommittee Chairman.

The ACRS Members in attendance are: ^{James} J. Carroll, ^{William} W. Kerr, ^{Carlisle} C. Michelson, ^{Forrest} F. Remick (tent), ^{Charles} C. Siess and ^{David} D. Ward.

The purpose of this meeting is to discuss integration of the regulatory process.

Mr. Gary Quittschreiber is the cognizant ACRS Staff Member for this meeting.

The rules for participation in today's meeting have been announced as part of the notice of this meeting previously published in the Federal Register on October 30, 1989.

A transcript is being kept for the open portions of the meeting and will be made available as stated in the Federal Register Notice. It is requested that each speaker first identify himself or herself and speak with sufficient clarity and volume so that he or she can be readily heard.

We have received no written comments or requests to make oral statements from members of the public.

1. Chairman's Comments
2. Executive Session

We will proceed with the meeting and I call upon Wayne Houston to begin.

T-1

INTEGRATED APPROACH ON REGULATORY MATTERS

R. W. HOUSTON, RES
NOVEMBER 15, 1989

ACRS SUBCOMMITTEE ON
REGULATORY POLICIES AND
PRACTICES

T-2

BACKGROUND

- ° ACRS LETTER DATED MARCH 15, 1989¹⁹⁸⁸
"--NEED FOR GREATER COHERENCE
AMONG NEW REGULATORY POLICIES"
- ° SECY-89-178 DATED JUNE 9, 1989
"POLICY STATEMENT INTEGRATION"
- ° ACRS LETTER DATED APRIL 17, 1989
"INTEGRATED APPROACH ON REGULATORY MATTERS"
- ° MEMORANDUM TO CHAIRMAN CARR DATED OCTOBER 18, 1989
"INTEGRATED APPROACH ON REGULATORY MATTERS"

T-2

ALLOCATION OF NRC PRIORITIES AND RESOURCES

- ° FIVE YEAR PLAN AND BUDGET PROCESS
 - STRATEGIC PLANNING
 - POLICY AND PROGRAM GUIDANCE

- ° RESOLUTION OF SAFETY ISSUES
 - PROCESS FOR GENERIC ISSUE RESOLUTION
 - SECY-89-138 DATED APRIL 27, 1989,
"WITHDRAWAL OF 1978 NRC POLICY STATEMENT ..."
 - SECY-89-328 DATED OCTOBER 24, 1989,
"USE OF PROBABILISTIC RISK ASSESSMENT IN
RESOLVING SAFETY ISSUES"

T-3

° RESOLVING "OTHER" GENERIC ISSUES

- REGULATIONS DEVELOPMENT
- SEVERE ACCIDENT ISSUES

SECY-88-147 DATED MAY 25, 1988,
"INTEGRATION PLAN FOR CLOSURE
OF SEVERE ACCIDENT ISSUES"

SECY-89-31 DATED OCTOBER 10, 1989,
"RESOLUTION PROCESS FOR SEVERE
ACCIDENT ISSUES FOR EVOLUTIONARY
LIGHT WATER REACTORS"

° PLANT SPECIFIC SAFETY ISSUES

CONSIDERATION OF INDUSTRY RESOURCES

- ° INTEGRATED SCHEDULES (ISAP)
- ° INTEGRATION OF IMPOSED WORK LOAD ON LICENSEES
- ° ROLE OF CRGR

OBSERVATIONS

- ° SAFETY GOAL POLICY AS AN INTEGRATING VEHICLE

- ° ROLE OF REGULATORY ANALYSIS GUIDANCE
 - BACKFIT OF NEW REQUIREMENTS
 - FORWARD FIT OF NEW REQUIREMENTS
 - CHANGING INEFFECTIVE OR UNNECESSARY REQUIREMENTS