



OFFICE OF THE
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
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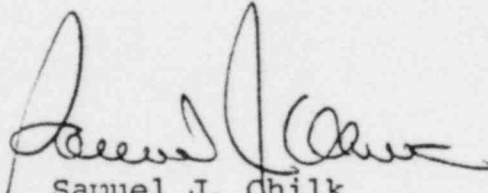
August 18, 1980

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

Transcript of Discussion of Policy Decisions/NRC
Authorization Bill, April 25, 1977

Pursuant to the Commission's regulations implementing the Government in the Sunshine Act (10 CFR 9.108(d)), it has been determined after a further review of this transcript that additional portions of the text can be released to the public. Attached are all portions of the subject transcript that have been determined to be releasable. The remaining portions of the transcript remain withheld pursuant to 10 CFR 9.10, as noted below:

<u>Page/Line</u>	through	<u>Page/Line</u>	<u>Exemption</u>
3/11		4/17	10 CFR 9.104(a)(6)


Samuel J. Chilk
Secretary of the Commission

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NUCLEAR REGULATORY COMMISSION

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CEQ TESTIMONY -NRC AUTHORIZATION BILL

Room 1115
1717 H Street, N.W.
Washington, D. C.
Monday, April 25, 1977

The hearing was convened at 4:15 p.m., Chairman
Marcus A. Rowden presiding.

MEMBERS PRESENT:

- Marcus A. Rowden, Chairman
- Victor Gilinsky
- Richard T. Kennedy

- Peter L. Strauss, General Counsel
- John Hoyle, Acting Secretary

C O N T E N T S

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Agenda Item:

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Policy Decisions

3

NRC Authorization Bill

11

P R O C E E D I N G S

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2 (The reporter was asked to start in the middle of a
3 preceding meeting.)

4 MR. STRAUSS: (Continuing) As ERDA remarks,
5 enactment of the bill could impede future policy decisions
6 of the President by requiring Congressional action to
7 modify the suggested prohibitions if that were later deter-
8 mined to be a desirable course.

9 The second and more difficult issue is --

10 MR. GILINSKY: That qualifies it definitely.

11 MR. STRAUSS:

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18 MR. KENNEDY:

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20 MR. HUBERMAN:

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25 MR. HUBERMAN:

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MR. STRAUSS:

CHAIRMAN ROWDEN

MR. KENNEDY:

MR. GILINSKY:

MR. STRAUSS:

MR. GILINSKY: What is Udall's proposal?

MR. STRAUSS: Udall's proposal is for study.

CHAIRMAN ROWDEN: The special statutory commission study.

MR. STRAUSS: Okay, that's it. I will make the first comment, then, if you will agree.

MR. GILINSKY: Is Spaeth saying they need a bill?

MR. STRAUSS: No. He is really saying we don't

1 need it. If you look at the last sentence of the testimony,
2 he says you need it for the legislation as established.

3 CHAIRMAN ROWDEN: Somehow, that got changed from
4 the time he made his original statement and the time it came
5 out of the White House.

6 MR. STOIBER: That is a different time, then.

7 MR. STRAUSS: What one would say is we agree the
8 need for the bill isn't established since the Commission hasn't
9 yet decided the impact of the President's policy on its
10 decisions and actions, and specifically agree that enactment
11 of the bill could impede the future policy decisions of the
12 President by requiring Congressional action to modify the
13 suggested pronibitions.

14 MR. KENNEDY: I must say it seems to me the choice
15 of language ought to be commented on. One says, "There appears
16 to be no compelling reason at this time to proceed with the
17 legislation because it will probably not be required to carry
18 out the position which both its sponsors and the Administration
19 support: the hauling of NRC licensing activities relating
20 to plutonium and deuterium."

21 That is very improperly put, it would seem.

22 MR. HUBERMAN: We could make a factual statement.

23 MR. GILINSKY: Isn't it for them to comment? It
24 is their proposal. It is for them to decide whether --

25 MR. STRAUSS: If that is their proposal.

1 MR. GILINSKY: -- if that is their objective. We
2 may only be the objects in this policy.

3 MR. STRAUSS: Okay.

4 MR. GILINSKY: Let me understand. Are we sending
5 any comment over?

6 MR. STRAUSS: Yes. The comment just stated.

7 MR. GILINSKY: We are commenting on their testimony?

8 MR. STRAUSS: That's right. That's all we have
9 been asked to do.

10 MR. KENNEDY: What proposal is before us to permit
11 reprocessing and recycling of plutonium?

12 MR. STRAUSS: The GESMO, so characterized by him.

13 MR. KENNEDY: But we ought to make the point that
14 that is not the case because he says -- again, let me read
15 it: "It is clear that the proposal to permit reprocessing and
16 recycling of plutonium now pending before the Nuclear
17 Regulatory Commission is in direct conflict with Presidential
18 policy."

19 There is nothing that I know of that is before the
20 Commission right now which is in direct conflict with
21 Presidential policy.

22 CHAIRMAN ROWDEN: I made the observation to Pete
23 before that as far as the GESMO proceeding is concerned, it
24 is not a proposal on our part; it is considering a course of
25 action.

1 MR. KENNEDY: It, indeed, is an action taken by
2 us to refuse, based upon the requirement laid upon us by the
3 CDQ.

4 CHAIRMAN ROWDEN: Well, by the courts.

5 MR. KENNEDY: And by the courts.

6 CHAIRMAN ROWDEN: We have 2 license applications
7 pending before us. But we have already said we are not going
8 to act on those applications. That was part of our November
9 statement. We had the interim licensing position. That
10 was struck down by the court so we are in a posture now
11 where we can't --

12 MR. KENNEDY: There can't be any licensing; there
13 is no proposal before us.

14 MR. GILINSKY: But we were in the posture of
15 trying to get that eliminated. And if the interim licensing
16 were made possible again, it would open up the possibility of
17 dealing with the licensing.

18 MR. STRAUSS: That, we will come to talk about
19 next Tuesday.

20 CHAIRMAN ROWDEN: That, we are going to be
21 discussing.

22 MR. GILINSKY: I guess I don't see the need to
23 comment on this testimony at all.

24 MR. KENNEDY: If the man is testifying to something
25 that --

1 MR. STRAUSS: Doesn't exist.

2 MR. KENNEDY: -- is not true, it seems to me, at
3 least, incumbent upon us to let the testifier know that he
4 is testifying in error, inadvertently, of course.

5 MR. GILINSKY: We are beyond that; we are simply
6 taking a position on the bill.

7 MR. KENNEDY: We are saying it is unnecessary.

8 MR. GILINSKY: It is unnecessary, yes.

9 MR. KENNEDY: That is what they are saying. The
10 statements in here are incorrect.

11 MR. GILINSKY: I also think it is unnecessary for
12 us to take a position on the bill.

13 MR. KENNEDY: You ought not to put something on
14 the record that is incorrect.

15 MR. STOIBER: One aspect of this process that I
16 think may be important is that the OMB now, the new OMB as
17 opposed to the OMB of the last Congress, seems to have been
18 very forthcoming in seeking our views on a variety of issues.
19 And if you think that kind of deference or involvement in the
20 process is useful, then every time we go back to them when
21 requested for our views and say we don't have any, then I
22 think they are inclined to probably edge us out.

23 MR. KENNEDY: They don't have time to waste time
24 on people who aren't going to --

25 CHAIRMAN ROWDEN: Let me just tell you how you can

1 resolve this whole thing. Take out this part which says, "The
2 halting of NRC licensing activities relating to plutonium
3 use," and insert the statement made by the President in terms
4 of his determination, which is quite indeterminate, whatever
5 it is. And that's it. The practical end result is --

6 MR. KENNEDY: That's correct. Then, I would go
7 back to where he talks about the proposal before the NRC
8 to do this and modify that to simply reflect the facts;
9 that's all.

10 MR. STRAUSS: Okay.

11 MR. EAGLE: If he seriously wanted the NRC views,
12 they would have sent it long before 2:00 o'clock this afternoon.

13 MR. STOIBER: I think that it probably went to the
14 State Department and a variety of other agencies at the same
15 time. I talked with Ron Dethower, and they got it at precisely
16 the same time we did.

17 MR. KENNEDY: It was sent out in a letter to
18 everybody April 25.

19 CHAIRMAN ROWDEN: Open or closed?

20 MR. OSTRACH: You are responding to a request from
21 OMB for confidential expressions of your views, and that is
22 exactly what you discussed. I believe the transcript is,
23 therefore, withholdable. And I ask you to vote.

24 MR. GILINSKY: Let me understand something here.

25 CHAIRMAN ROWDEN: That's not in the law.

1 MR. KENNEDY: Understanding is not the purpose of
2 the exercise.

3 MR. GILINSKY: One of the reasons we withhold
4 matters is because to release them prematurely publicly would
5 embarrass our agency or defeat the process of consultation or
6 whatever. What about after the process is complete? What
7 is the rationale of withholding it?

8 MR. OSTRACH: Our regulations provide that after
9 the situation which made the release premature has passed,
10 the material will be released. That's section 9.108(b).

11 MR. GILLINSKY: Does that mean that one's best
12 bet -- testifies as to legality --

13 CHAIRMAN ROWDEN: Well, no. I think not. Obviously,
14 some of the matters we have discussed are matters that we
15 would intend to, and I think properly, keep confidential in
16 terms of the substance, in terms of some of these other
17 elements.

18 MR. KENNEDY: Those things can be looked at.

19 CHAIRMAN ROWDEN: We can look at these in terms of
20 determining the appropriateness of release, but I recall some
21 aspects of this discussion which I think are --

22 MR. GALINSKY: Well, this one, yes. Well, take,
23 for example, the ones we are about to have on budget matters.
24 I don't want to release that publicly before you present
25 your recommendations to the committee. But what happens after

1 these have been presented or after the whole process --

2 CHAIRMAN ROWDEN: I guess I would like to have that
3 matter looked at.

4 MR. STRAUSS: We can go through the transcript and
5 see. There will be some matters that you will want to safe
6 as against a future day and a lot of other things, it would
7 be fully appropriate to release.

8 MR. GILINSKY: There is a procedure for going
9 through these things after the fact?

10 MR. STRAUSS: Yes.

11 CHAIRMAN ROWDEN: You helped approve that.

12 MR. KENNEDY: As a matter of fact, what we are
13 going to do --

14 CHAIRMAN ROWDEN: If we ever get to it.

15 MR. KENNEDY: -- will be to request 10 more people
16 in order to be able to do all that.

17 CHAIRMAN ROWDEN: Gentlemen, let us now move to
18 generate a record we can later review.

19 (The committee, at 4:27 p.m., terminated one meeting
20 and proceeded immediately to another.)

21 MR. GOSSICK: Mr. Chairman, in order to save some
22 time, and I think maybe get rid of some of the fairly simple
23 matters with reference to the letter that we sent down here
24 on Friday, the April 22 letter, I would suggest that we
25 perhaps for the moment set aside safeguard and breeder issues

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1 and go ahead quickly through these other items.

2 The supergrades issue on page 3, we have again
3 communicated what we are doing to address the question of
4 whether or not the \$210 ceiling that we think is currently
5 right, pending the outcome of the studies, is it proper that
6 we should seek to keep that within our budget?

7 CHAIRMAN ROWDEN: No, that number is not in the
8 budget, but I keep telling the staff --

9 MR. GOSSICK: Excuse me -- to keep from having
10 any language in the budget restricting it.

11 CHAIRMAN ROWDEN: I wouldn't support it; I wouldn't
12 ask Chairman Udall to support it. We just shouldn't have
13 that number in or any number in until we complete the study.

14 MR. GOSSICK: Okay on that one.

15 On the additional inspection effort, of course,
16 you were briefed last week on the program for onsite or
17 site inspectors. And the number is as you see there, \$6
18 million for an additional 125 people.

19 MR. KENNEDY: That is what the committee staff has
20 proposed?

21 MR. GOSSICK: No, sir.

22 CHAIRMAN ROWDEN: They proposed 10.

23 MR. GOSSICK: Ten and roughly --

24 MR. KENNEDY: And 226 additional people.

25 MR. GOSSICK: Yes. 300 was the number that the

1 used, to answer the question.

2 And as Ernst described in his program, I think that
3 in order to assimilate and proceed on this program, it is his
4 view and I think it is probably realistic about the proper
5 number of sites we have to deal with.

6 MR. KENNEDY: Can we in fact acquire and assimilate
7 125 people in this time frame? We are talking about a
8 year roughly.

9 MR. GOSSICK: I think we can.

10 CHAIRMAN ROWDEN: We asked Ernie that, and he
11 said we could.

12 MR. GOSSICK: I think the most we have ever
13 assimilated in I&E before is -- John, do you remember?

14 VOICE: 40 percent increase. This represents a
15 30 percent.

16 MR. GOSSICK: In terms of what we have already got
17 on board which, of course, helps us with regard to the
18 assimilation. But I think it is doable.

19 MR. GILINSKY: Have we ever commented on about what
20 we are going to do in this area where the President has
21 requested us to act? Do we acknowledge this in any way?

22 CHAIRMAN ROWDEN: Other than informal comment with
23 the White House and discussion with OMB, the answer is no.
24 Now, we did have a public briefing.

25 MR. GILINSKY: Should we --

1 CHAIRMAN ROWDEN: Well, when we get to the point
2 of the moment of truth like writing a letter, I think that
3 would be the first formal position we have taken, and it has
4 to be cleared with OMB to get Administration support. They
5 are behind us in this regard.

6 We have not formally decided. You see, it is not
7 a question of we have formally come; we have not formally
8 decided.

9 MR. GOSSICK: OMB has asked us for a budget
10 amendment which I guess they know these numbers.

11 MR. KENNEDY: Now, wait. I am lost. OMB has
12 asked us for a budget amendment in this regard.

13 MR. GOSSICK: Yes.

14 MR. KENNEDY: And you have given them these numbers.
15 But we just got through saying we haven't decided. Is that
16 right?

17 CHAIRMAN ROWDEN: The Commission has not formally
18 approved this.

19 MR. KENNEDY: I just want to be sure that I under-
20 stood where we were.

21 CHAIRMAN ROWDEN: I think it's pretty clear in
22 terms of what we have seen and --

23 MR. KENNEDY: When are we going to get to deciding
24 it and getting it on the road?

25 CHAIRMAN ROWDEN: Because at the conclusion of

1 the last briefing, Ernie said he would get a paper up to us.
2 What was it, 10 days to 2 weeks?

3 Now, it has been about a week since that last
4 briefing. As soon as the paper comes up, we can act on it.
5 I would like to act on it no later than next week.

6 VOICE: We hope the paper will be before you this
7 week.

8 CHAIRMAN ROWDEN: That's an item you better look
9 at the agenda.

10 MR. KENNEDY: It is not there, is it?

11 MR. EAGLE: No.

12 MR. KENNEDY: You better talk to these guys about
13 another paper, John.

14 CHAIRMAN ROWDEN: What I am suggesting is that we
15 have to be careful we don't shortcircuit the process. That's
16 all. That's one of the difficulties with writing letters.

17 MR. BARRY: What OMB asked me was what numbers is
18 Ernst recommending to the Commission. And I told him what
19 the numbers that he recommend to you were and the cost.

20 MR. KENNEDY: Did this include numbers only for
21 this one year and the budget amendment would be for 1978?

22 MR. BARRY: Yes, fiscal '78.

23 MR. KENNEDY: So, therefore, there would be no
24 action on this in 1977.

25 MR. BARRY: Correct.

1 MR. KENNEDY: Okay. I guess we would have to be
2 prepared to explain why we were going to postpone taking any
3 action on this until next October first, isn't it? That would
4 be point one. So I guess we need to do something about that.
5 And I guess I don't know what the answer would be, but
6 presumably the paper will tell us. Right?

7 CHAIRMAN ROWDEN: It better. We better be pre-
8 pared to do the right thing here and not just move bodies on
9 to these sites.

10 MR. STRAUSS: Would you then tell the committee
11 the same thing as OMB has been told that they are going to
12 vote on their markup this Wednesday?

13 CHAIRMAN ROWDEN: All we can tell and all we can
14 tell the committee is, (a), that the staff is preparing to
15 recommend this; the Commission has already had a public
16 briefing; and the Administration is obviously in sympathy
17 with this approach. We have discussed it informally with OMB.
18 I don't see how we can send them a letter saying, "Do this,"
19 until we have formally approved this.

20 MR. STRAUSS: But you could in telling them that
21 specify the levels which you are going to be recommending.

22 CHAIRMAN ROWDEN: That the staff is recommending
23 to the Commission.

24 MR. STRAUSS: That's right.

25 MR. KAMMENER: They already know the recommendation

1 from staff to them.

2 MR. GOSSICK: Can we go on to generic issues?

3 Here are the subcommittee bills identifying \$12.5
4 million put on unresolved safety issues. And looking at this
5 and within the constraints of the \$292 million we get back
6 to later on, the number that NRR has arrived at here is
7 about \$2.5 million and a total of 15 spaces that they would
8 seek to bolster this effort. That \$12.5 by itself is more
9 money than they can use.

10 They do need manpower in order to use additional
11 funds. And depending on perhaps other actions or other
12 decisions with regard to some of the other items, I guess my
13 feeling is that we might be able to add somewhat to this.

14 Is that correct?

15 VOICE: Yes.

16 MR. GOSSICK: But probably not significantly.

17 VOICE: Perhaps another million.

18 MR. KENNEDY: Add what to what?

19 MR. GOSSICK: Add 15 people and the \$2.5 million.

20 VOICE: My view is I can take another million
21 dollars contractual assistance without asking for more people.

22 MR. GILINSKY: And use it well?

23 VOICE: Use it well.

24 MR. GILINSKY: And accomplish something?

25 VOICE: Yes. But no more than that.

1 MR. KENNEDY: So what you are saying, then, is,
2 what, that you would prefer \$3.5 million and 15 people, is
3 that --

4 VOICE: That's the problem with this whole process;
5 there is --

6 VOICE: It is depending on other offices that I
7 can't take into account that Lee has in coming up with this
8 number.

9 MR. GOSSICK: If we are going to provide the \$6
10 million --

11 CHAIRMAN ROWDEN: Where is your confidence level
12 the highest -- the \$2.8 million?

13 Look, I am really concerned about a by-guess-and-
14 by-God approach to this thing. The Agency is going to get
15 into trouble next year. There is a reason for a budget review
16 process; there is a reason why it goes through this, as
17 painful as it is. And we are really shortcircuiting that
18 thing for what everybody believes to be a desirable goal.
19 But I believe it is going to be a high price to pay later
20 on when they look at what is accomplished.

21 VOICE: Certainly, I am confident with \$2.8
22 million, which includes 15 people.

23 CHAIRMAN ROWDEN: I am also concerned about achiev-
24 ing something if indeed it is desirable to achieve it. And
25 you have got to have a basis for getting this through the

1 Appropriations Committee, not just the Authorization Committee.

2 Now, the \$2.5 million and the 15 people was part of
3 a recommendation --

4 VOICE: \$2.8.

5 CHAIRMAN ROWDEN: \$2.8, was part of a recommendation
6 that --

7 VOICE: That had previously been gotten.

8 CHAIRMAN ROWDEN: -- you had previously made which
9 was staffed out. And OMB -- or I don't remember how that
10 sequence was, but at least that was a staff program.

11 MR. KENNEDY: It didn't go beyond us, or the total
12 didn't go beyond us, and decision was made that that is where
13 it would be cut. We cut that?

14 CHAIRMAN ROWDEN: No, I think that Ben set his
15 priorities, and he said that is where it would be cut. I
16 think that is a fair way to characterize it.

17 MR. KENNEDY: We did not eliminate the 15 people
18 for generic issues.

19 MR. CASE: Not specifically.

20 CHAIRMAN ROWDEN: NRR said that their order of
21 priority was operating reactors and --

22 MR. GILINSKY: But in effect, we did.

23 MR. KENNEDY: No. We said, "Set your priorities.
24 We say that you ought to have X number of people; set your
25 priorities ." The priority was set by him which eliminated the

1 15 people for generic issues. We didn't.

2 MR. CASE: That is correct.

3 MR. GOSSICK: It was elsewhere.

4 MR. KENNEDY: Wait. What have we decided here?

5 CHAIRMAN ROWDEN: Well, I made a proposal that if we
6 are to indicate our amenability, and I think we have to be
7 careful how we indicate that amenability, it ought to be a
8 figure which has been staffed out and looked at in terms of
9 our ability to use the money productively within the next
10 fiscal year.

11 MR. GILINSKY: One could argue here just as in
12 the fuel cycle there have been changes, there have also been
13 changes in light water reactors. And the greater stress on
14 making sure they run right. And I think one could argue that as
15 one is sort of shifting the direction of the nuclear program,
16 that there is a greater emphasis on making sure existing
17 plants --

18 CHAIRMAN ROWDEN: What are we going to do with the
19 money?

20 MR. GILINSKY: Well, that's for Ed to respond to.
21 He said he thought he could use more money.

22 CHAIRMAN ROWDEN: I haven't seen any program to
23 utilize the money. I have a public responsibility, too.

24 MR. KENNEDY: He said his confidence level is
25 high at \$2.8.

1 MR. CASE: There is no doubt in my mind I can come
2 up with contracts to handle an additional million dollars. I
3 have wish lists from my division directors which are well
4 beyond that.

5 MR. GILINSKY: Are these frivolous matters? Are
6 these matters that are going to resolve outstanding generic
7 problems that have plagued us all this time?

8 MR. CASE: No, they are not. They involve the
9 outstanding generic items.

10 MR. KENNEDY: I am a little confused; I guess I
11 am sharing the Chairman's expressed concern because in
12 principle, I agree with Commissioner Galinsky, but I thought
13 I heard you say that your confidence level is high at \$2.8
14 million, but not so high with the extra million.

15 MR. CASE: Not as high with the extra million.

16 MR. KENNEDY: I don't know what that means.

17 MR. GILINSKY: Confidence in what?

18 MR. CASE: Confidence in getting results with the
19 funds that can be shown after a year's use of these funds.
20 Programmatic results. My confidence is higher when I only
21 have \$2.8 million than I have with \$3.8 million.

22 CHAIRMAN ROWDEN: Why don't we just lay it out
23 straight. I don't know what the mechanisms for indication
24 is going to be. We all think it is a good idea, but I think
25 we all agree that --

1 MR. KENNEDY: What you are proposing is too much
2 or it couldn't be used.

3 MR. CASE: It's more than we can assimilate.

4 CHAIRMAN ROWDEN: Obviously, the amount they are
5 proposing exceeds by a rather significant margin what we can
6 effectively use next year.

7 MR. KENNEDY: And moreover that the important thing
8 is to provide authorization for additional personnel.

9 Now, let me point out that in doing that, if in
10 fact the committee were, and we were to be authorized, to
11 have those additional personnel, we have to think very hard
12 about a reassessment of priorities when and if we are faced
13 with an Appropriations Committee action later on down the
14 pike which does not provide a total funding level which would
15 equate to an additional 15 spaces.

16 We will have committed ourselves then to shift
17 resources from some other program into this program.

18 CHAIRMAN ROWDEN: I don't know if we will or we
19 won't. How does the process work?

20 MR. KENNEDY: Be very careful about how it is put.

21 MR. EAGLE: It in part depends, I think, on whether
22 the line-by-line authorization carries through the full
23 Congress.

24 MR. KENNEDY: Be very careful about how it is put.

25 MR. EAGLE: If the authorization process carries it

1 through as the proposed bill from the Udall Committee -- the
2 subcommittee, I should say --

3 MR. GOSSICK: Your concern is that they should vote
4 the program support money, but not go along with the spaces.
5 And, of course, the money that they always provide the funds
6 for the spaces they authorize.

7 I think, as you say, we would have to take a look
8 at the priorities and decide how best to do this with the
9 manpower that we now have on board.

10 MR. KENNEDY: But when we go in and say, "Yes, we
11 want the money and people and know just what we need to do,"
12 and they say, "Okay, this is it," We have to think about
13 then if we don't wind up in the appropriations process, we have
14 to be very careful we don't have unwittingly trapped ourselves
15 into something we can't do or given the priority assessments
16 would really rather not do.

17 MR. CASE: It is a question of effectiveness.
18 I can always allocate the money and do a much better job in
19 getting results if I had 15 people to follow the work and take
20 it into account.

21 MR. KENNEDY: Okay. So what are we saying --
22 15 people and --

23 CHAIRMAN ROWDEN: \$2.8.

24 MR. GOSSICK: On the next item, the developmental
25 safety research, \$13 million that they were proposing that we

1 spend on carrying out -- that would improve safety research,
2 we are simply taking the view on this that until Congress
3 sort of acts on this proposal as to broadening our charter
4 or broadening the scope of our research program, put the onus
5 or charge NRC and ERDA with getting together and coordinating
6 a program and come back with it, that we think this is just
7 premature.

8 MR. KENNEDY: But isn't this precisely what they
9 are proposing to do? The effect of this would be to revise
10 our charter. And isn't the question then whether in a
11 philosophical way, do we or do we not feel concerned about
12 that?

13 After all, isn't it appropriate for us to tell them
14 that the Commission was established in the first instance
15 in a climate and with a legislative history? It very
16 clearly separated developmental effort from our own. And
17 that this would represent a significant departure from that
18 as we understand its language.

19 MR. GILINSKY: Is that a desirable or undesirable
20 thing?

21 MR. KENNEDY: That's precisely the question. That
22 is the question we ought to give them some guidance on at
23 least from our own viewpoint.

24 Let me add one last sentence. It seems to me
25 inappropriate, given that Commissioner Gilinsky's point is

1 precisely the question that he is answering, to
2 that question hanging in the air, impliedly to s
3 really ought to discuss this with OMB and ERDA.

4 MR. STRAUSS: I thought the direction
5 recommendation was to say that the desirability
6 in the NRC's mandate is something which should be
7 in conjunction with the President's overall energy

8 CHAIRMAN ROWDEN: I guess my approach
9 touches a couple of other bases. And I think the
10 here is perhaps a little too negative. My own vi
11 that reasearch of this type is a good idea.

12 There are 2 basic questions. Who shou
13 And what should be done? Those are important que
14 those are the sorts of questions that ought to be
15 NRC and by ERDA in terms of the "who." There are
16 which they may think of as developmental which may
17 out to be developmental.

18 Sol can give you a list I am sure of th
19 could do within that category and beyond that. I
20 Congress should just throw money at us for project
21 not defined. I think we ought to develop the proje
22 again in a decent way, come back and seek the autho
23 through a budget amendment.

24 MR. GILINSKY: Why not suggest some mode
25 of money to do that?

1 CHAIRMAN ROWDEN: I wouldn't ask them to give us
2 money to do something I know not what. I just don't think
3 that's the right way to go about it.

4 MR. KENNEDY: Nor would I ask them to give us money
5 without a clear understanding of what constitutes a develop-
6 mental program and whether, indeed, in undertaking a program
7 which could be seen or described that way, this Agency might
8 possibly in some eyes, at least, those who were party to its
9 original birth, might see such an action as being inconsistent
10 with the basic role given the Commission when the Commission
11 was created.

12 MR. GILINSKY: I think where this flows from is
13 from the Ford Foundation Report.

14 MR. KENNEDY: I understand that.

15 MR. GILINSKY: I am not sure that ought to be
16 characterized as developmental.

17 MR. KENNEDY: That's the point that has to be made.

18 CHAIRMAN ROWDEN: If I had doubts about that
19 generic funding getting through the Appropriation Committee,
20 I have no doubt whatever what is going to happen to this. It
21 will just never make it through either the House or the
22 Senate side.

23 MR. KENNEDY: It seems we need to be very careful
24 how we support it or indicate our willingness to accept it
25 or whatever.

1 CHAIRMAN ROWDEN: There is a way to go about this
2 that to my way of thinking is a perfectly valid way. I
3 personally support the idea that something like this should
4 be done. It will probably have to be done by the government.
5 The committee can support this either in the bill or in the
6 report accompanying the bill, direct NRC and ERD to submit a
7 report to it, making recommendations.

8 And then in the light of those recommendations,
9 projects can be developed, and we can submit a budget amend-
10 ment, we or ERDA and/or ERDA can submit a budget amendment
11 to carry out those projects.

12 It seems to me that that is the rational way to
13 go about it. We are not going to get any money.

14 MR. KENNEDY: Provided that -- I agree with that
15 100 percent -- in making this known to the committee, this
16 view, we also point out to the committee that we want to be
17 very careful that there is not seen to be creation of a new
18 conflict of interest, the conflict of interest which was
19 originally washed out by the legislation.

20 CHAIRMAN ROWDEN: That is the question of who should
21 be doing it, I think. We might come to a different conclusion
22 on that question, but the concerns that were originally
23 expressed, I think are valid concerns.

24 MR. GILINSKY: But they are kind of remote in this
25 case.

1 MR. KENNEDY: We don't know. We don't know what
2 it is.

3 MR. LEVINE: I think we can prepare a -- in fact,
4 we are working on preparing some ideas on what we think we
5 can do within our current charter and some things that might
6 additionally be done if our charter were revised.

7 I don't think we need any contract dollars to do
8 this. I think we know enough about what is going on.

9 MR. GILINSKY: In fact, we do this kind of work in
10 areas outside of the safeguards area. We in fact do
11 analyze this kind of activity. We don't simply review or
12 conduct research to get an assessment of an existing safe-
13 guard system. We are really working on developing new ones.

14 So I think the line has been crossed in many ways.
15 My question is: how far beyond this should one go?

16 CHAIRMAN ROWDEN: I guess I could distinguish
17 national security from safety considerations. Whether we
18 could conceptually distinguish it or not --

19 MR. KENNEDY: Especially since the whole research
20 program such as light water reactors is concerned
21 in some eyes has been a sort of freebie favoring the industry
22 which many believe all this time should have been doing more
23 of this themselves.

24 And now, all of a sudden, it would seem to those
25 people that here this Agency is once again picking up the

1 task which the industry long since should have picked up.
2 And what I am saying is that the basic credibility of the
3 Agency then comes into question again.

4 And it was precisely to avoid that that the charter
5 of the Agency was so drawn as it was in 1974. Now, I am not
6 arguing the philosophy now whether we should or not because
7 I think that is something we ought to think through. I am
8 only saying that we ought to make this point to the committee
9 so that the committee doesn't put us in a position --

10 CHAIRMAN ROWDEN: We ought to recognize what the
11 reason is for the limitation that is in the Energy Reorganization
12 Act.

13 MR. KENNEDY: And the committee should recognize it.
14 And if the committee then says, Energy Reorganization Act
15 notwithstanding, we believe you should be doing this, that is
16 in the province of the Congress. But the Congress ought to
17 understand when it does that, the implications of its action.

18 And it may well be some measure of the credibility
19 of the Agency.

20 CHAIRMAN ROWDEN: Can I just add the pragmatic
21 observation if we really want to mount a program in this
22 regard or the government wants to mount a program, it is not
23 going to be moved forward by this mechanism. It just wouldn't
24 get past the authorization by this committee. Maybe it will
25 pass the House as far as the authorization bill is concerned,

1 but knowing our authorization committees, I cannot believe
2 that they would give us money -- the Appropriations Committee.
3 I can't believe that they would appropriate money for projects
4 which haven't been reviewed.

5 MR. KAMMENER: What about the question of OMB
6 in that regard as well; it hasn't gone through the scrutiny
7 of that arm of the government.

8 CHAIRMAN ROWDEN: That's right.

9 Well, how do we end up on this? I made a proposal.

10 MR. GILINSKY: Why don't we follow your recommen-
11 dation?

12 MR. DENNEDY: I would agree with that provided, as
13 I said before, that in so doing, we inform the committee of
14 the very serious concern that we not, the committee not,
15 take an action which can damage the credibility of the Agency
16 however meritorious the principle may be. And it ought to
17 reflect upon the legislative history which created the
18 organization.

19 MR. GILINSKY: Well, you know, there is a point
20 there, but I think it can be overstressed, too.

21 MR. KENNEDY: I don't.

22 MR. GILINSKY: This isn't like having the breeder
23 program within NRC.

24 MR. KENNEDY: I don't think it can be over stressed
25 a bit. I think the people who saw conflict of interest, and

1 I think the people that are intervening in our light water
2 reactor programs and proposed licensing are not concerned with
3 the breeders. They are concerned with nuclear power, and they
4 are concerned with the credibility of this Agency.

5 And I don't want to see anything done that is going
6 to destroy the credibility of this Agency which I worked
7 very, very hard for the last 2-1/2 years to create.

8 MR. GILINSKY: But what we are talking about here
9 is whether people are going to merely make tests on existing
10 ECCS systems or think about alternative systems, for example.
11 Now that doesn't seem to me to undermine the credibility of
12 the Agency..

13 MR. KENNEDY: Some would argue that you are then
14 developing something which the industry should have developed;
15 you should have set standards and caused them to do it. You
16 should have created a program which they would have to carry
17 out.

18 In several cases, we have asked -- I remember
19 Commissioner Galinsky wisely, Indeed, I would say, asked,
20 "Isn't this something that the industry would have to do if
21 we didn't?" He has asked it on a number of occasions, and
22 thought absolutely correctly.

23 And all I am saying is here is another few million
24 dollars that is going to be in that category.

25 CHAIRMAN ROWDEN: There is another argument to that,

1 and that is we shouldn't be reviewing the handiwork we developed.
2 That is really the fundamental conflict. We develop it, and
3 they submit it to us in a regulatory context, and we are
4 reviewing our own work.

5 MR. GILINSKY: The other practical side of it is
6 this is where the country's safety research program is.

7 CHAIRMAN ROWDEN: You will find no firmer supporter
8 of the concept that it should be done. I would prefer that
9 it be done by the industry. The fact is a lot of this won't
10 be done by the industry.

11 Then, it becomes a question of which government
12 agency should do it. I think a lot of this work should be
13 done by ERDA. And if we are going to get into this area, we
14 ought to do it in a very carefully thought out way.

15 MR. GILINSKY: I guess I would say it depends on
16 how big it gets. If it is a very big program, ERDA ought to
17 do it.

18 MR. KENNEDY: There is an old story about -- what
19 is it, you can't be just a little bit pregnant? And when you
20 are talking about --

21 MR. GILINSKY: I am just trying to be a little bit
22 safe.

23 MR. KENNEDY: -- credibility, let me say there is
24 no such thing as, "Well, you are just a little incredible."
25 It just won't work.

1 CHAIRMAN ROWDEN: How do you translate what I think
2 is a good idea into a viable program? I don't think this is
3 the way to do it. And I would suggest another course of
4 action.

5 MR. GILINSKY: I am supporting your recommendation.

6 CHAIRMAN ROWDEN: Okay.

7 MR. KENNEDY: I am also with my caveat.

8 CHAIRMAN ROWDEN: Make notes on the caveat.

9 Okay, next.

10 MR. GOSSICK: ACRS fellowship. We discussed this
11 last week and my more recent discussions of it. We have
12 suggested one change that we think is appropriate. The ACRS,
13 as you have heard, supports this idea. We believe we really
14 ought to ask for the spaces to cover these people. And there
15 is one small correction that needs to be made down under
16 discussion where we say "benefits, provide the same benefits
17 as the ACRS members that have ACRS staff."

18 If we bring these people on board in a 2-year
19 assignment or hiring situation, not covered by the so-called
20 permanent space, they don't get any benefits -- no medical,
21 no medical coverage. And I think it is going to be one
22 difficult thing to find the kind of people we want.

23 MR. KENNEDY: What does the rest of our intern
24 program do?

25 MR. GOSSICK: The interns are --

1 VOICE: They are permanent employees, but charged
2 against a temporary ceiling for 2 years which OMB permits.

3 MR. GOSSICK: That gives them their benefits. We
4 can bring them on for a fixed 2-year assignment. And at the
5 end of that period, they are off.

6 MR. BARRY: This permits you to pay for the costs
7 of the move and permits you to give them insurance. It's
8 a good thing.

9 MR. STRAUSS: It does pay for the cost of their
10 move?

11 CHAIRMAN ROWDEN: Does that come out of the \$600,000?

12 MR. BARRY: Pretty close. When I price these,
13 I always price --

14 MR. KENNEDY: Wait. \$600,000 is going to pay 15
15 fellowships? A little earlier today --

16 MR. EAGLE: \$40,000.

17 MR. KENNEDY: Moving expenses included.

18 MR. BARRY: You are not going to hire them all on
19 the first day.

20 MR. KENNEDY: I know that. A little earlier,
21 however, we were told that the average cost, as I remember it,
22 for computing a man-year cost for fees was \$70,000. That is
23 an enormous difference between 40 and 70.

24 MR. GILINSKY: The difference between a GS-11 and
25 GS-17.

1 VOICE: That \$70,000 included a number of things
2 that they do not include in terms of the developing personnel
3 costs per man-year. The \$70,000 includes such things as
4 furniture, equipment, share the overhead expenses.

5 MR. KENNEDY: You are going to have to do that
6 for all of these guys or are they going to stand up? I am
7 going to get to that later and figure out where they are going
8 to sit, too. It is going to be in one of those extra
9 buildings.

10 MR. GILINSKY: What is the average salary?

11 MR. GOSSICK: The average salary for these people?

12 MR. GILINSKY: Yes, of that \$40,000.

13 MR. GOSSICK: Mr. Fraley is here. What do you
14 anticipate bringing these people on board at, Ray, what grade
15 level?

16 MR. FRALEY: On the average, I would say probably
17 a 12 or 13, at that level.

18 MR. GOSSICK: Which is what?

19 CHAIRMAN ROWDEN: You know, the fact of the matter
20 is this wasn't costed out. At least, I hope this wasn't
21 costed out. I assume this is an idea that if the --

22 MR. KENNEDY: If it wasn't, then we ought to tell
23 them --

24 CHAIRMAN ROWDEN: I'm just saying this is --

25 MR. KENNEDY: -- it is more than \$600,000.

1 CHAIRMAN ROWDEN: This is the price you pay for going
2 through the process, through the back door, in the sense that
3 they made a proposal, it sounds reasonable, I don't know what
4 their figures are. The fact is if it's \$600,000 they are
5 giving us, when we spend the \$600,000, that's it.

6 MR. FRALEY: We are not anticipating all of these
7 people will be here in Washington. We are expecting that some
8 of them will be out working with the committee members in the
9 field and that they will make use of the office space that the
10 committee member more or less provides himself. We provide
11 for miscellaneous expenses.

12 CHAIRMAN ROWDEN: Wait a minute.

13 MR. KENNEDY: Let me tell you when we ran a little
14 check on how things worked with the inspectors in the field,
15 and I found that office space and so on for those fellows
16 doesn't come all that cheap. And I suspect we are going to
17 find out that spaces for these guys to sit in the university
18 is going to come back home to roost.

19 CHAIRMAN ROWDEN: Are these people going to be
20 assistants to members of the committee or are they to work
21 on the safety research report?

22 MR. FRALEY: We feel that probably about half of
23 them would be working directly with the committee members
24 and half of them would be working here in Washington.

25 CHAIRMAN ROWDEN: What does the language of the

1 authorization say?

2 MR. STRAUSS: How are we going to choose which 8
3 members of the ACRS get personal clerks and which 7 do not?

4 MR. CASE: Seniority.

5 MR. FRALEY: We haven't worked that detail out.

6 MR. STRAUSS: It sounds like more than a detail to
7 me.

8 MR. FRALEY: It would depend probably on their
9 subcommittee assignments primarily.

10 MR. STRAUSS: I think if I would say something
11 if the intention was to provide personal assistance for the
12 ACRS members that use is something that ought to be talked about
13 with the committee for a variety of reasons.

14 MR. EAGLE: The specific language in the HR. 3455 --

15 CHAIRMAN ROWDEN: Is ambiguous. I don't know what
16 the report says; what does the analysis say?

17 MR. KENNEDY: The committee shall undertake a study
18 of reactor safety research in advance of so and so to assist
19 the committee in carrying out its functions. That is the
20 whole business.

21 CHAIRMAN ROWDEN: That's what it could be.

22 MR. FRALEY: That is what we were assuming.

23 MR. KENNEDY: That is the fellowship program.

24 MR. STRAUSS: As it is written, it would be quite
25 consistent with each member of the committee, at least each

1 member of the committee who was in academic life having an
2 assistant. And that would suggest changes in the character of
3 the ACRS of a fundamental nature.

4 MR. KAMMENER: As with this one and some other
5 considerations, we would have to ask whether there has been
6 public hearings on the matter and both sides debated and gone
7 through the regular scrubbing process and run a risk at grab-
8 bing at this one or some of the others with a recommendation
9 back to the committee.

10 CHAIRMAN ROWDEN: I don't think it is going to get
11 through, again, the appropriation process. I could be wrong.
12 But I have some familiarity with the outlook of those com-
13 mittees. And I just don't think it is going to.

14 MR. EAGLE: If the authorization committees came
15 through with a line-by-line authorization which included this
16 as a specific item in coming to a total and if the Appropri-
17 ations Committees come to a total that is roughly equivalent
18 to the authorization total, then you have got conflicts all the
19 way across the board in the thing. It would be very uncertain
20 as to how you should proceed in it.

21 CHAIRMAN ROWDEN: That is the point Commissioner
22 Kennedy was making. How do we protect ourselves against
23 that?

24 MR. BARRY: I don't see any problem. You are
25 saying the Appropriation Committees would pass our bill as

1 we originally submitted it. Is that what you are saying?

2 CHAIRMAN ROWDEN: Well, I assume they don't just
3 have a number, but there is a backup in the numbers that they
4 have there.

5 MR. BARRY: The appropriations people would have
6 to go along with the increase in the ceiling as far as the
7 additional increase is concerned. In the dollars, it wouldn't
8 make a bit of difference.

9 CHAIRMAN ROWDEN: What if we don't get the increase
10 in the ceiling? This would require an increase in ceiling.
11 The dollar number is probably going to be the same. They will
12 try to keep it the same. But what if we don't get an increase
13 in ceiling?

14 MR. BARRY: You couldn't take them on without taking
15 it from some place else.

16 CHAIRMAN ROWDEN: That is exactly where the conflict
17 comes up. What are the priorities?

18 MR. BARRY: You would have to increase the ceiling.

19 MR. KENNEDY: It is the same problem we were talk-
20 ing about a minute ago.

21 MR. GILINSKY: Does the fellowship program neces-
22 sarily follow the --

23 MR. KENNEDY: We have to be very careful how we
24 say these things.

25 MR. BERRY: You can have a fellowship program

1 on a permanent basis or on a temporary basis, either way.
2 I think Dan Donahue said that one of his fellows had an experi-
3 ence with the NASA Science Foundation. They have a fellowship
4 program. Without bringing these people on with the benefits
5 that we have in terms of insurance, and once the fellow is
6 through, on his way home, and accruing some retirement if he
7 ever decides he wants to use that. You can't get them.

8 MR. KENNEDY: Make sure you have got retirement
9 because he wouldn't have been here long enough, but he will
10 get accrued leave.

11 MR. BARRY: That's correct.

12 MR. KENNEDY: And he will get --

13 MR. BARRY: Insurance.

14 MR. KENNEDY: -- something out of the retirement
15 fund paid to him in cash when he leaves. That goes to the
16 \$600,000 problem that I am talking about.

17 We are not going to get these guys for \$40,000.

18 MR. BARRY: Well, if they are within the 12 and 13
19 grade, \$40,000 would be more than adequate. If you get them
20 at a higher grade --

21 MR. GILINSKY: Presumably, you are talking about
22 young Ph.D.s or something.

23 MR. BARRY: You are talking about junior people
24 generally speaking.

25 MR. STRAUSS: The bill has been rewritten in such a

1 way as to not have that constraint in it.

2 CHAIRMAN ROWDEN: What was the constraint in it
3 before?

4 MR. STRAUSS: The general constraint was recent
5 graduates, qualified persons from engineering and scientific
6 programs. And that means both they don't have to have
7 graduated, and they could have graduated 15 years ago.

8 MR. FRALEY: That is correct. We were hoping we
9 could get a few senior people for short periods of time to
10 do specific assignments. I think the bulk of these people
11 would probably be relatively new graduates from engineering
12 or physics courses.

13 MR. STRAUSS: What you are saying is that when it
14 says the assignment shall not be for more than 2-year periods,
15 the committee's perception of this now is that it could be
16 for much less than a 2-year period. It could be for a month
17 or 3 months.

18 MR. FRALEY: 6 months.

19 MR. KENNEDY: I did not recognize that. I thought
20 we were going to talk about guys to be brought on for 2-year
21 programs.

22 CHAIRMAN ROWDEN: Loo, I am just telling you what
23 my position is. I am not going to object to it, but I don't
24 know enough or how it is going to work to support it. This
25 is another one of these things.

1 MR. KENNEDY: I agree with that, too.

2 CHAIRMAN ROWDEN: I don't know what your view is.

3 MR. KENNEDY: I am not going to object to it.

4 CHAIRMAN ROWDEN: I am not in a position to object
5 but I haven't thought it through to be able to support it.

6 MR. KENNEDY: The committee ought to be aware we
7 don't know how it is going to work, and we really don't know
8 what it is going to cost.

9 MR. STRAUSS: And there is a question of trans-
10 mitting the recommended changes to the section. If you are
11 not going to take a position on the bill, do you transmit the
12 changes which the ACRS wishes to suggest, changes which
13 transmute a 2-year recent graduate fellowship program into
14 a variable term --

15 MR. GILINSKY: Then, you are really talking about
16 expanding ACRS staff.

17 MR. KENNEDY: By 15 people.

18 MR. STRAUSS: That's right. That's what changes
19 to.

20 MR. KENNEDY: That isn't what was intended, at
21 least as I could see the language or the committee staff's
22 analysis.

23 MR. STRAUSS: That's right.

24 CHAIRMAN ROWDEN: I think it's their proposal, and
25 they ought to be in a position of going through with it if

1 they think it is a good idea.

2 MR. KENNEDY: What do we do with the ACRS proposal?

3 MR. STRAUSS: ACRS proposed changes.

4 CHAIRMAN ROWDEN: I know. That is what my comment
5 was directed to. I think it is a committee proposal, and the
6 committee ought to act on it. I am talking about the House
7 committee now.

8 MR. KENNEDY: In other words, you would not submit
9 the ACRS proposal?

10 CHAIRMAN ROWDEN: My position is I am not going to
11 object to it, but I can't support it. If we are going to
12 be in the process of translating it into something else, it
13 seems we are entering the legislative process.

14 MR. KENNEDY: I agree.

15 MR. STRAUSS: You could transmit these as the
16 suggestions of the ACRS without --

17 MR. KENNEDY: In such a case, if we are going to
18 do that, shouldn't we have a view on those?

19 CHAIRMAN ROWDEN: You better believe it we ought
20 to have a view on it. And one of the principal concerns
21 we all 3 have expressed is we don't know what it is going to
22 do in the --

23 MR. KENNEDY: My suggestion is the effect of those
24 changes would be to increase the ACRS staff by 15 people.

25 MR. STRAUSS: That's not a bad outcome.

1 MR. KENNEDY: Well, I guess that before I decided
2 whether that was a great outcome or not, I would like to look
3 at where, given all the priorities and concerns of the Agency,
4 15 people would be best used which is what we did in the
5 beginning to present our recommendations to the Congress.

6 CHAIRMAN ROWDEN: As a matter of fact, no one
7 recommended any additional staff.

8 MR. KENNEDY: Nobody.

9 CHAIRMAN ROWDEN: I would like to know what it would
10 do to the workings of the committee. None of these matters
11 have been looked at. And this is not just --

12 MR. KENNEDY: I am not objecting to it; I just
13 share the Chairman's concern. I don't know what it means. I
14 don't know where it takes us.

15 MR. KAMMENER: Something like that should take us
16 to 1979 and be staffed out and run through the general scrub-
17 bing process that goes through this Agency and then the Office
18 of Management and Budget and then forward to the Congress rather
19 than to have a reaction at this point.

20 MR. FRAZIER: What's wrong with our taking that
21 kind of an approach? We do say that the changes restructure
22 a significant portion of the NRC program. The kind of view
23 development that they are asking for takes a much longer time
24 period. They shouldn't expect anything from us at this point,
25 and that is where we stand. They have to fight it if they

1 want it.

2 CHAIRMAN ROWDEN: We can't spend too m
3 on that issue.

4 MR. KENNEDY: I would agree with that.
5 is essentially --

6 CHAIRMAN ROWDEN: I'm sorry, I missed

7 MR. FRAZIER: Basically, the kinds of
8 they are changing take a longer period of time to

9 MR. KENNEDY: We are talking about the

10 MR. FRAZIER: That's right. Developme
11 research might be one of those things also. And
12 of things they are suggesting can't be staffed ou
13 in the time period they are asking for reviews.

14 MR. KENNEDY: That's different.

15 MR. GILINSKY: You can do that pretty
16 really want to do it. I think there is a questio
17 whether you want to monkey with this thing in ter
18 increase in ACRS staff, in terms of whether they
19 fellowship program. I think the idea of having a
20 program, bringing in new Ph.D.s is a good idea.
21 some new blood into this area.

22 MR. KENNEDY: As the original concept
23 be in the committee --

24 MR. GILINSKY: And it's an opportunity
25 to --

1 CHAIRMAN ROWDEN: If they are establishing a fellow-
2 ship program, that is one thing. I am not going to quarrel
3 with that.

4 MR. KENNEDY: We would have no objection to that.

5 CHAIRMAN ROWDEN: If they are going to increase ACRS
6 staff which is what you are convering it into, I have a
7 problem it.

8 MR. FRALEY: These would be limited periods of
9 time.

10 CHAIRMAN ROWDEN: It doesn't make any difference.
11 It is the nature of it.

12 MR. GILINSKY: It basically enlarges the ACRS
13 staff.

14 MR. KENNEDY: Which is a rather different thing
15 than the committee was visualizing.

16 MR. GILINSKY: And 15 people sort of tilts the
17 balance between the staff --

18 MR. EAGLE: Hiring an occasional consultant for a
19 month or 2 which is perfectly possible within the current
20 system.

21 CHAIRMAN ROWDEN: I take the position we don't know
22 what they are going to do in terms of the current program.
23 Fine. Okay, Lee.

24 MR. GOSSICK: The next item is the intervenor
25 funding, and I don't think we really have any recommendation

1 to make there.

2 CHAIRMAN ROWDEN: We have already made the record
3 on that. I don't know what more there is to say.

4 MR. GOSSICK: The next one is equal opportunity.
5 We have recently provided the Commission a proposed answer
6 to questions that I was asked when Senator Hart was holding
7 his hearings and asked questions about equal opportunity
8 programs. I don't know whether that has gone yet or not.
9 Do you know?

10 MR. KAMMENER: I believe it has.

11 MR. GOSSICK: We have given copies of that as I
12 understand it to Udall's staff.

13 As far as this report is concerned, I think we
14 don't have any particular problem with it. It is just tabular
15 or some sort of a progress report, but we didn't get involved
16 in sending down the whole file on every individual action.

17 MR. GILINSKY: Are you changing the recommendation?

18 MR. GOSSICK: Well, we are in effect providing the
19 evidence to convince them we do have the program and that we
20 would have a periodic report of progress rather than this
21 individual documentation.

22 MR. GILINSKY: I guess it is a difference between
23 individual documentation and --

24 MR. GOSSICK: You can interpret the words that are
25 in the bill several different ways. One is to make it sound

1 like every individual action for GS-11 and above, you have to
2 go through the documentation of job description, how it was
3 arrived at and how --

4 MR. BARRY: Alternatives.

5 MR. GILINSKY: Why don't we just agree to period-
6 ically send them the basic statistics.

7 MR. GOSSICK: That's what we are saying; let's do
8 that.

9 MR. GILINSKY: Basically, we are complying with
10 their request.

11 MR. KENNEDY: They want to write something into the
12 law which will go well beyond that; that is the point. What
13 we would be doing here is giving them statistical data of the
14 kind that we get already.

15 MR. GILINSKY: But committing ourselves to do it on
16 a periodic basis.

17 MR. KENNEDY: Yes.

18 CHAIRMAN ROWDEN: What do you mean by periodic?

19 MR. GOSSICK: Quarterly. That is what they ask for
20 in the bill. Here again, it would be just a simple progress
21 report.

22 MR. KENNEDY: Say "quarterly" instead of "periodic."

23 CHAIRMAN ROWDEN: Okay.

24 MR. GOSSICK: Conflict of interest --

25 CHAIRMAN ROWDEN: Do you have that document that we

1 keep referring to here? Proposed policy on organizational
2 conflicts. I keep asking for it and never get it.

3 That, we approved. That's why I would like to
4 refresh my recollection on what we approved.

5 MR. GOSSICK: Organizational conflict of interest?

6 VOICE: That has been a couple of months ago that
7 the committee approved it.

8 CHAIRMAN ROWDEN: I take your word for it that we
9 approved it; I would like to see what it is.

10 MR. KENNEDY: The Federal Register notice has been
11 published?

12 VOICE: It is being published this week.

13 MR. GOSSICK: The recommendation here is that this
14 is really taken care of; it's not necessary to be in the
15 bill. We can give them a copy of what is going into the
16 Federal Register.

17 CHAIRMAN ROWDEN: Could I get a copy, too, before
18 we go up there and give them a copy.

19 MR. GOSSICK: Yes, sir.

20 MR. KENNEDY: When is it going into the Federal
21 Register?

22 VOICE: This week, sir. Tomorrow or Thursday.

23 CHAIRMAN ROWDEN: And this is for public comment
24 so there would be an opportunity to revise it.

25 VOICE: It will be effective with 90 day comment

1 period.

2 CHAIRMAN ROWDEN: The important thing is we have
3 committed ourselves to having a policy on organizational
4 conflicts.

5 MR. KENNEDY: What I wanted to be sure of is we get
6 it in the Federal Register so we can give it to them.

7 CHAIRMAN ROWDEN: We have already adopted it. We
8 are implementing now a recommendation in advance of the
9 conference.

10 MR. KAMMENER: And that prenotification has gone to
11 both committees that we intend to put it in the Federal Register
12 in the next few days. They have a copy of that, of what is
13 going in the Federal Register whenever it does appear.

14 CHAIRMAN ROWDEN: Take me into your confidence.

15 MR. KAMMENER: Yes, sir.

16 MR. KENNEDY: It would be so much nicer if we could
17 tell them the date of the Federal Register in which it appears.

18 CHAIRMAN ROWDEN: Moving right along.

19 MR. GOSSICK: Okay, consolidation of offices. Here,
20 we are recommending that they adopt a suggested change in the
21 language where we make sure the word "central downtown area
22 in the District of Columbia" gets in there as opposed to just
23 "District o. Columbia."

24 MR. KENNEDY: I would strike out the word "building"
25 and say, "one of which shall be located in the central downtown

1 area." Which shall be. And then I would put a sentence on
2 the end of it which would say, "This shall be a first step
3 toward full consolidation to be achieved at early date."

4 MR. STRAUSS: Without specifying location?

5 MR. KENNEDY: You just did in the previous
6 sentence. One of which shall be in the downtown area.

7 CHAIRMAN ROWDEN: Where?

8 MR. STRAUSS: The sentence I believe continues
9 saying, "and the other of which shall be in the vicinity of
10 Bethesda, Maryland." You haven't got the whole sentence.

11 MR. KENNEDY: No, the other text says, "In not more
12 than 2 locations, one of which shall be in the central down-
13 town area."

14 MR. STRAUSS: Then, don't you want to specify the
15 other is in Bethesda?

16 MR. KENNEDY: No. Do we?

17 MR. STRAUSS: You could get Hyattsville. You
18 might.

19 MR. KENNEDY: These guys deleted Bethesda. Maybe
20 they wanted Hyattsville.

21 MR. STRAUSS: This is not a complete quotation.

22 CHAIRMAN ROWDEN: You better believe it is not com-
23 plete. I have heard 6 different versions of it. It con-
24 templates Bethesda, it contemplates -- I think Commissioner
25 Kennedy has got a good suggestion about this is just a way

1 station to our ultimate objective.

2 VOICE: The bill itself provides the consolidation
3 shall be completed before the end of fiscal year 1978.

4 MR. KENNEDY: The consolidation into 2 locations.
5 I am suggesting that the consolidation into 2 locations is only
6 the first step in the full consolidation.

7 MR. STRAUSS: I have no difficulty with that, but I
8 think what you want to do is specify in Washington, D. C.,
9 in central Washington.

10 MR. KENNEDY: Okay.

11 CHAIRMAN ROWDEN: Let's move to the heavy stuff.
12 Have we finished with this?

13 MR. GOSSICK: The very last item --

14 MR. GILINSKY: Let me just understand, what is the
15 significance of us taking the lead or GSA taking the lead?

16 MR. STRAUSS: You have given away a subtle probably
17 token weight in your favor regarding any negotiations with
18 GSA. And in return for being able to tell them, "Look, we
19 protected your interests in this business."

20 Ordinarily, GSA is in charge of these things. As
21 the committee has written the bill, it favors the NRC more than
22 one would expect.

23 VOICE: Also, GSA has the resources, planning
24 capacity and the modus then becomes on them to do it.

25 MR. KENNEDY: Oh, come on; let's not kid each

1 other.

2 VOICE: I realize that, but if it is put the other
3 way, all they have to do is consult, and you get damn little
4 consultation.

5 MR. KENNEDY: Say, "It is your problem."

6 VOICE: We have to do it almost by contract
7 otherwise.

8 MR. GOSSICK: Shall we get to the reprogramming
9 restriction? I really in my own view think that one is perhaps
10 the most critical item in the whole list.

11 MR. KENNEDY: What is this?

12 MR. GOSSICK: This is the reprogramming restriction
13 on page 8. And it really does nail us down to a very untenable
14 kind of a situation where if we were to, when we go back here
15 and talk about safeguards and breeder, decide to say in a
16 specific number in the bill, if the Commission should decide
17 by majority vote to fill that to the limit of \$10 million,
18 \$5 million each, we are done for the year without going back
19 to Congress for authorization legislation to move even \$10
20 or 10 cents from something in the waste management or some
21 other new activity that needs to be addressed during the
22 course of the year.

23 It just puts us in an unbearable situation. I
24 really think that was --

25 MR. KENNEDY: I agree with your recommendation.

1 Does everybody?

2 CHAIRMAN ROWDEN: That has been my position all
3 along.

4 MR. KAMMENER: In other words, drop that.

5 MR. GILINSKY: Suppose they are not willing to do
6 that? Do you want to give them a different number?

7 CHAIRMAN ROWDEN: I don't think you can deal with
8 it until we take care of these other things.

9 MR. GOSSICK: Okay, safeguards and LMFDR. We
10 have gone through as we discussed here last week and looked
11 again at the safeguards program in the light of the changed
12 circumstances. And as indicated in this letter, we have
13 identified \$3.5 million that we think are tied directly
14 to the changed direction and so forth and should come out.

15 MR. GILINSKY: What are those items?

16 MR. GOSSICK: May I say one other thing before we
17 are prepared to go into the detail on that. Over the weekend
18 here, we find that we somehow did not get another 0.7 in there
19 so the number is actually 4.2. The \$900,000 is out of NMSS,
20 right?

21 VOICE: Technical system.

22 MR. KENNEDY: Do we have a tabulation of these
23 things?

24 MR. GOSSICK: We do now.

25 MR. KENNEDY: We do or you do?

1 VOICE: I have a tabulation on the safeguards for
2 NMSS.

3 MR. GOSSICK: Why don't you hand out the 2 handouts
4 you have got on the research?

5 What we are talking about is 3.3 out of research,
6 \$900,000 out of NMSS for a total of \$4.2 million reduction
7 for a total of \$19. --

8 Now, taking care of the other things we have
9 talked about here such as the generic items, the ACRS fellow-
10 ship, increased inspection, and so forth, assuming again that
11 the committee intends us to stay within the \$292 million over-
12 all limit in the bill, the only other place to get this money
13 is out of the LMFDR program. So that would leave that if
14 you fund the other items at \$12.7 versus the roughly \$18
15 million -- \$12.4 million.

16 Now, with regard to the breeder, we are saying that
17 at this point, we are not sure whether that is too much, too
18 little, or just right, and probably won't know until a couple
19 of more weeks perhaps, after the Administration's position on
20 the total breeder program, the scope of it, and so forth, is
21 nailed down to where we can identify the appropriate level in
22 our program.

23 MR. GILINSKY: So it is kind of an arbitrary number.

24 MR. GOSSICK: It is a factored number resulting from
25 the assumption that everything has to come out of the \$292 --

1 the adds as well as what they have taken away. To take care
2 of those requirements, we end up after having spent the \$4.2
3 million that we identified as reduction in the safeguards
4 area, we still have to take some money away from the breeder
5 program, leaving it at the \$12.4 level which may or may not
6 be adequate.

7 MR. GILINSKY: Have we done any analysis on the \$18
8 million, breaking out that part that relates to CRBI, that
9 part that relates to plutonium breeders?

10 MR. LEVINE: We have an RES analysis. We could
11 give you a handout, but let me just tell you what it says.

12 MR. GILINSKY: Actually, why didn't we get this
13 thing when it came out Friday?

14 MR. LEVINE: This was done over the weekend.

15 MR. GILINSKY: Why wasn't it done earlier?

16 MR. LEVINE: We didn't have time to prepare it.

17 Furthermore, we kept getting the information on
18 what ERDA's programs would be changed day by day.

19 MR. GILINSKY: Still, you can break down your
20 program into these various categories.

21 MR. LEVINE: We didn't really know what they were
22 going to be doing, and it makes a crucial difference as to
23 what their schedule is. For instance, there is a Thorn
24 document out now which we think was approved by the President
25 which says that within 2 years, they are going to select one

1 or more alternate concepts on the program.

2 MR. GILINSKY: You think was approved by the
3 President?

4 MR. LEVINE: We think was approved by the President.
5 And (b) would include a demonstration plan of the alternate
6 concept or concepts as part of the program. That means to
7 us a 4-year slip from where CRBR is now to some potential
8 application for a breeder reactor of some kind.

9 Now, we were 2 years behind CRBR. So that says
10 what should we do with the remaining 2 years? And we went
11 back to our program and looked at what could be cut back and
12 what sort of would you lose, where shouldn't you cut because
13 you would lose what you were doing?

14 And we then come up with \$14 million that we
15 should continue in regard to generic sodium breeder reactors.
16 That is on page 5 of the handout, the last page.

17 And we also say we should be really looking at
18 putting some helium work in because there are some different
19 problems with the helium cooling. And that adds \$2.8 million.
20 That gives us \$16.8 instead of \$18.6.

21 CHAIRMAN ROWDEN: I will not recommend a number.
22 I don't think we know. And that's why they came up with
23 something that is completely artificial.

24 MR. LEVINE: Mark, we are not suggesting a number.
25 We are just trying to answer a question.

1 CHAIRMAN ROWDEN: Suppose you approached it on the
2 basis of what was implicit in Commissioner Gilinsky's question.
3 You knocked out of the LMFDR research program everything that
4 was directly related to CRBR; there be a further element about
5 delaying commercialization, but suppose you cut that out,
6 how much would be sliced off the program?

7 MR. LEVINE: That goes from \$18.6 to \$14. It
8 goes down by \$4.6 million.

9 CHAIRMAN ROWDEN: \$4.6 million. What about the
10 furla (?) commercialization? What sort of an impact does that
11 have?

12 MR. LEVINE: Nothing with the --

13 CHAIRMAN ROWDEN: Alternative strategy, is that what
14 you are saying?

15 MR. LEVINE: Alternative strategy adds some more
16 as a matter of fact.

17 CHAIRMAN ROWDEN: If someone would ask me for a
18 hard number today, that is the only number you could give me,
19 \$4.6? Because it relates directly to CRBR?

20 MR. LEVINE: Yes. But I would say you would also
21 have to add something for alternative strategies like helium,
22 and that would make that number less. That would make it about
23 \$2 million.

24 CHAIRMAN ROWDEN: How do I answer the question:
25 why don't we just zero the whole program and come back with

1 a budget amendment?

2 MR. LEVINE: Because we have on-going work that
3 really should be continued.

4 CHAIRMAN ROWDEN: Well, do you have back up for
5 that? I asked Lee about that.

6 MR. LEVINE: It is all in the writeup.

7 CHAIRMAN ROWDEN: Because if it occurred to me, it
8 will occur to others, I will tell you.

9 MR. BARRY: One of the answers to that is if you
10 zero the thing, where do you put the money if you are going
11 to stay within \$292 million? We don't want to put it any
12 place else.

13 CHAIRMAN ROWDEN: You either lose the \$292 or you
14 fill it up with --

15 FRAZIER: The alternative answer is there will be
16 something there. And it is clear there will be something
17 about alternative strategies. And you just don't want to --

18 MR. LEVINE: Our preliminary examination says we
19 need at least that much money and maybe more.

20 CHAIRMAN ROWDEN: The fact of the matter is that it
21 so happens this authorization process comes at a very inaus-
22 picious time. It is not just us. It is the Executive Branch
23 really hasn't sorted things out.

24 Do you gentlemen have any suggestions on this?

25 MR. GILINSKY: I don't see how you can recommend

1 a number.

2 CHAIRMAN ROWDEN: What do we do -- stick with \$19?

3 MR. GILINSKY: I don't know.

4 CHAIRMAN ROWDEN: They are honest. They say, "We
5 are not recommending a number; all we are saying is if you
6 want to do these other things and you need the money to do
7 it, you have to take it out of somewhere, take it out of here,
8 and if it's too much, we will come back with a budget amend-
9 ment."

10 MR. EAGLE: I would suggest that an alternate course
11 would be to authorize no specific amount and by removing
12 the \$10 million reprogramming restriction, you can come back
13 in and put in an amount that is appropriate later.

14 MR. KENNEDY: I think that is a great suggestion,
15 and if they do that, that would be marvelous.

16 MR. EAGLE: It wouldn't work.

17 MR. GILINSKY: Make that \$20 million.

18 CHAIRMAN ROWDEN: Then, you are getting into a
19 situation where this reprogramming limitation becomes absurd.
20 You are talking fantastic amounts of money for a budget our
21 size. \$20 million. I will have problems selling it to the
22 Congress.

23 You know, Moe has got a concern not only of adopt-
24 ing a position which he thinks is the right one, but going to
25 the floor and convincing his colleagues.

1 MR. EAGLE: \$5 million plus \$10 million, maximum
2 \$10 million in LMFDR.

3 MR. BARRY: The thing I am concerned about is I
4 want a place for each dollar that totals \$292. I don't have
5 a definition for the breeder so what I would like is for the
6 residual dollars to be in a breeder until we can determine
7 what the correct number is rather than some place else where
8 we don't want it.

9 MR. LEVINE: What's wrong with us adding to that our
10 preliminary examination says we will be able to use that
11 money, maybe more?

12 MR. GILINSKY: I am not convinced of that. If you
13 don't turn this up on the day we look at it --

14 MR. LEVINE: That is unfortunate.

15 CHAIRMAN ROWDEN: What do you suggest? You have 30
16 minutes. I have to face a guy who is going to want to --

17 MR. GILINSKY: Change it from \$20 million is one
18 way of dealing with it.

19 MR. KENNEDY: I don't think that washes.

20 CHAIRMAN ROWDEN: You mean zero the program and give
21 us \$20 million?

22 MR. GILINSKY: Maybe put in half the amount.

23 CHAIRMAN ROWDEN: If you do it that way, if I were
24 voting for it on the floor, I would be awfully nervous about
25 what I was buying.

1 MR. KENNEDY: I would zero out most of that \$20
2 million. If these guys don't know where they want it, whenever
3 they find out, they can come back and tell us about it.

4 MR. KAMMENER: That bill won't be on the floor before
5 another committee, the Senate side, takes its action. And
6 they have a final markup on the 12 of May. If you are saying
7 that 2 weeks is the time you are going to know that number,
8 you will at least have it in some bill to be resolved in
9 conference.

10 MR. BARRY: There is no appropriate place to put
11 the \$12 million in our total program excep. in the breeder
12 because even though we don't know what the right number is, our
13 recommendation is that any number beyond the numbers we are
14 recommending is the wrong number. So we don't want to put
15 the \$12 million in inspection or generic issues or develop-
16 mental research or so on.

17 That is the reason we don't want to put it any
18 place except in the breeder as a holding account. Because that
19 is what it really resolves into. It is a holding account.

20 CHAIRMAN ROWDEN: We have to get going. Let's
21 recapitulate, gentlemen.

22 One thing that I want to be clear on is am I in
23 a position to indicate our likely amenability to the inspection
24 increase? That is okay even though we haven't dotted the i's
25 and crossed the t's, all right?

1 This one, we will just have to play it by ear when
2 we get up there, describe the problems, describe what we
3 think.

4 MR. GILINSKY: We haven't dealt with the --

5 CHAIRMAN ROWDEN: I think we have got a position on
6 everything except this and the safeguards. Okay.

7 Now, can we get a 16-second wrap-up on this in
8 terms of alternatives? Staff has suggested one course of
9 action which I would be prepared to --

10 MR. KENNEDY: I don't see any alternative to what
11 the staff is suggesting.

12 CHAIRMAN ROWDEN: It is arbitrary.

13 MR. KENNEDY: The proposal you are making, Vic,
14 which would be great, but it will just never wash. You just
15 can't expect them to put nearly 10 percent of the budget in
16 what is a sort of in-case-you-need-it spot. It just won't
17 wash. They will never do it. They will drop the \$20 million
18 and say, "When you decide what you are going to do with it,
19 come back and tell us, and we will appropriate or authorize
20 something else."

21 CHAIRMAN ROWDEN: There is another alternative, and
22 that is to knock out that which specifically at least for the
23 time being relates to the CRBR. That is a lesser figure.

24 MR. LEVINE: That is a larger figure than what he
25 has left in.

1 CHAIRMAN ROWDEN: We are approaching it from a
2 different standpoint. You are left with more than \$11.7 if
3 you do it that way. But at least it relates to something
4 identifiable.

5 MR. FRAZIER: That could be your fall-back.

6 MR. KENNEDY: I must say I think you ought to
7 eliminate anything that has to do with the CRBR in any event.

8 MR. LEVINE: We are.

9 CHAIRMAN ROWDEN: At a minimum, it would.

10 Well, that has the virtue of at least relating to
11 something which appears to be no longer viable. Beyond that,
12 OMB at least, I hope, is going to be looking at our budget
13 just as they are looking at ERDA's budget within the frame-
14 work of budgetary amendments. And if they think we have got
15 too much, they will tell us, and we will have to submit an
16 amendment.

17 So I think your problem would be taken care of.

18 MR. GILINSKY: I guess I find it odd that all
19 this has been redirected here to the President wiping out a
20 major program, and all we have redirected is \$4 million.

21 CHAIRMAN ROWDEN: Well, he has done a number of
22 things and the implementing steps for the other things he has
23 done really aren't clear to me at least in terms of what the
24 alternative strategies are and what would be necessary to
25 pursue those strategies.

1 If it turns out we don't need the money for those
2 purposes, I can't help but believe that OMB isn't going to
3 tell us forthwith if that's the case. It's just that they
4 haven't gotten around to it because our sums are just static
5 in the whole system.

6 MF. BARRY: When we submit our budget amendment,
7 there will be a plus for inspection; there will be a minus
8 for safeguards. And there will be a plus or minus for
9 breeder, depending on your decision.

10 CHAIRMAN ROWDEN: How about a quick wrap-up on safe-
11 guards? Where do we stand on that? Staff recommendation is
12 what? \$4.2?

13 MR. GOSSICK: \$4.2.

14 MR. KENNEDY: Drop \$4.2.

15 CHAIRMAN ROWDEN: Drop \$4.2. What is the justi-
16 fication for that?

17 MR. GOSSICK: Well, research is less the amount of
18 \$3.3. You have before you the item by item as to the kind
19 of things they think can come out. NMSS has identified \$125,000.
20 The Division of Safeguards. We, of course, as a part of this
21 do want to appeal this wording which does away completely with
22 that branch, the Test and Evaluation Branch, which is really
23 only 7 out of 30.

24 CHAIRMAN ROWDEN: What do the rest do?

25 MR. GOSSICK: All sorts of things.

1 VOICE: There are 24 people in that branch. The
2 fiscal '78 called for 24 people. Of those 24, 7 are involved
3 with 4 special forces types on vulnerability analysis. The
4 balance of them are continually involved on analyzing the
5 regulations that we have, the data base that is coming in.
6 They are not involved going out and looking at facilities to
7 see whether or not they are vulnerable.

8 CHAIRMAN ROWDEN: These are guys charged with the
9 function of analyzing process on a continuing basis to see
10 that it's adequate, is that what you are telling me?

11 VOICE: Well, we have a lot of data systems that
12 we are trying to put into place. And they are continually
13 involved in looking at that data as it comes in to see whether
14 or not we have some problems with respect to monitoring, to see
15 if whether or not we have some problems with respect to
16 security system.

17 MR. KENNEDY: Am I correct when we get through with
18 this, Mr. Executive Director, what we are going to have done
19 is eliminated this field inspection or field review effort
20 in NMSS Safeguards activities, but we will have created it in
21 NRR. Perhaps they can take on that responsibility. Is that
22 what I think we have done?

23 VOICE: I don't think we have come to that yet,
24 have we?

25 MR. GILINSKY: Let me ask what part of that money

1 is for reactors as opposed to the fuel cycle of the \$19
2 million?

3 MR. LEVINE: In research, about \$6 million.

4 MR. GILINSKY: \$6 million of your \$10 million? Is
5 that your view of it, Ed?

6 MR. CASE: No, sir.

7 MR. GILINSKY: What is your view?

8 MR. CASE: Including standards, it is about \$4.1
9 million based on my understanding.

10 MR. GILINSKY: Of the total?

11 MR. CASE: Yes.

12 MR. GILINSKY: So we are talking about \$4 out of
13 the \$19 is reactor related.

14 MR. LEVINE: I think it is just great to have some-
15 one else comment on my budget.

16 CHAIRMAN ROWDEN: Wait a minute now. We have a
17 different point of view here. Your view is it is what, \$4.1
18 million?

19 MR. LEVINE: Why isn't it coordinated like anything
20 else in this Agency?

21 MR. BARRY: \$4 out of the \$10.9.

22 CHAIRMAN ROWDEN: I guess I would like to have a
23 response. What is the basis for your \$6 million and why the
24 difference between Ed's figure and yours?

25 MR. LEVINE: I don't know the basis for his figure.

1 Ours is related to work, either directly applicable to reactors
2 or partly applicable to reactors.

3 CHAIRMAN ROWDEN: And your judgment is the total
4 of that is \$6 million?

5 MR. LEVINE: A little less than \$6 million.

6 MR. GILINSKY: Except Ed is including a larger
7 universe. He is including not only research, but --

8 MR. CASE: \$500,000 for standards.

9 MR. GILINSKY: What about your own moneys?

10 MR. CASE: No.

11 MR. GILINSKY: You don't have any moneys of your
12 own? Well, suppose you split the difference and you are talking
13 about \$5 million. You have \$14 million of fuel cycle.

14 CHAIRMAN ROWDEN: I am sorry, I am going to approach
15 it from a different standpoing. What amount of this research
16 is related to prospective use of plutonium?

17 MR. LEVINE: Almost none.

18 CHAIRMAN ROWDEN: What do you mean almost none?
19 Why are you cutting out anything from the budget then if almost
20 none is related to it?

21 MR. LEVINE: That is what we have cut out. This is
22 our reduced budget.

23 CHAIRMAN ROWDEN: I am talking about this; the total
24 figure, the \$19 million.

25 MR. LEVINE: Oh, sorry, I misunderstood the question.

1 VOICE: Reduction of \$3.3 reflects a change in
2 direction, in emphasis, which results from no reprocessing
3 and no growth of plutonium recycle.

4 MR. GILINSKY: What you are saying, Frank, is
5 you are recommending we spend about \$10 million a year to
6 support the safeguarding of about 10 facilities?

7 voice; No, I am suggesting we spend \$7.6 million
8 in fiscal '78 to support the safeguarding of reactors and the
9 fuel cycle facilities and transportation.

10 MR. GILINSKY: I don't see those numbers that way.
11 I think these are ridiculously high numbers and ought to be
12 cut sharply.

13 CHAIRMAN ROWDEN: Do you want to submit a statement
14 of separate views? I would like to have some bases for it.
15 If someone can show me how the change in direction of
16 national policy calls for our altering our safeguards support
17 program, I would be prepared to support it. That is the only
18 question I ask the staff.

19 MR. GILINSKY: I take a more critical view of these
20 programs.

21 CHAIRMAN ROWDEN: I guess I don't understand
22 that. You approved the budget along with the rest of us
23 last year.

24 MR. GILINSKY: That's right. A lot of things have
25 changed since then.

1 CHAIRMAN ROWDEN: The only things that have changed
2 are the President's program.

3 MR. GILINSKY: Right. I don't think these budgets
4 can be supported at this time.

5 CHAIRMAN ROWDEN: In what specific way?

6 MR. GILINSKY: It is pretty clear that the largest
7 fraction of this \$19 million relates to the fuel cycle. That
8 was an investment we were making because we saw a large fuel
9 cycle industry on its way. We don't have that now; we are
10 safeguarding 10 facilities, some of them rather minor. To
11 be spending more on research than those facilities are
12 spending themselves on safeguarding the material which they
13 are responsible for, I think is ridiculous.

14 CHAIRMAN ROWDEN: All right, what is your judgment
15 in that regard?

16 VOICE: I think that I wouldn't have characterized
17 the purpose of the research in that way. I think the basic
18 thrust of the research on the development of methods for
19 evaluating effectiveness are to provide the Commission with
20 a systematic and coherent framework in which the purposes
21 of safeguards are expressed and the way in which it performs
22 its functions are carried out.

23 I would point out that physical protection applies
24 to the reactors as well as fuel cycle facilities, and a sub-
25 stantial fraction of the program is directed toward the

1 evaluation of physical protection.

2 CHAIRMAN ROWDEN: Let me tell you what my judgment
3 is, gentlemen. And at least I am going to express this is my
4 own personal point of view.

5 Staff has identified whatever that number is as
6 being directly attributable to the use of plutonium. That
7 the balance of the program, although it may call for re-
8 examination, should be reexamined in the context of a budget
9 amendment process which is the way these other matters are
10 resolved.

11 I am not prepared to say what is valid and what is
12 invalid within this frame. I couldn't give them a number You
13 can't give them a number.

14 MR. GILINSKY: Well, give them arbitrary numbers.

15 CHAIRMAN ROWDEN: I can't give them any number.

16 MR. GILINSKY: What this really points up is that
17 we have not really gone back and looked at these budgets. We
18 have gone through an exercise that just comes up with arbitrary
19 numbers. It has not really explored these programs. We get
20 sheets here today when we are looking at the matter when you
21 are in a hurry to go up on the Hill.

22 CHAIRMAN ROWDEN: That's right. This is not the
23 mechanism for going back and looking at these budgets. There
24 really is a mechanism which is not a bureaucratic mechanism,
25 but a mechanism which is designed to get a disciplinary

1 review.

2 We haven't had a chance to do it. We haven't had
3 other people looking over our shoulder at OMB asking these
4 questions.

5 The best I can do really is take a seat-of-the-
6 pants number which the staff has given us as being directly
7 attributable to plutonium use and say, "This is the only
8 figure we can identify now. Obviously, we are going to have
9 to take a look at the safeguards program as we will at the
10 LMFDR program in the context of OMB budget amendment review,"
11 to which I am personally committing us.

12 If anybody has any problem with that --

13 MR. KENNEDY: I agree with that.

14 (Whereupon, at 5:43 p.m., the meeting was
15 adjourned.)

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