

NUCLEAR REGULATORY COMMISSION

ORIGINAL

COMMISSION MEETING

In the Matter of: BUDGET SESSION
 PUBLIC MEETING

DATE: July 23, 1981 PAGES: 1 - 104
AT: Washington, D. C.

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BUDGET SESSION

PUBLIC MEETING

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

Thursday, July 23, 1981

The Commission met, pursuant to notice, at
10:10 a.m.

BEFORE:

NUNZIO PALLADINO, Chairman of the Commission
VICTOR GILINSKY, Commissioner
PETER BRADFORD, Commissioner
JOHN AHEARNE, Commission

ALSO PRESENT:

S. CHILK
L. BICKWIT
H. DENTON
S. HANAUER
L. BARRY
W. DIRCKS
K. CORNELL
D. DONOGHUE
J. FUNCHER
D. EISENHUT
E. TRINER

DISCLAIMER

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

2 CHAIRMAN PALLADINO: Good morning.

3 The session this morning is a continuation of our
4 discussion of the NRC's budget. We were raising questions
5 with representatives from NRR and I think Commissioner
6 Gilinsky has some follow-up questions from yesterday
7 afternoon's session. So I suggest we start with those.

8 MR. DENTON: Maybe I could recap with an answer to
9 one of yesterday's questions. The Commission had directed
10 earlier that we do a hundred percent of the requal exams and
11 what would the delta be between what we have asked for for
12 the 20 percent process and to do the 100 percent.

13 Looking back at the assumptions we used it would
14 take approximately five additional people and about \$1.2
15 million to do the 100 percent as opposed to the 20 percent
16 process that we had proposed in the budget. The 20 percent
17 would be designed so that we would visit every utility and
18 we would somehow selectively pick out of the people that
19 were employed by that utility a percentage. So that in five
20 years we would try to work through all the individuals there.

21 CHAIRMAN PALLADINO: Did you say you would need
22 \$1.2 million to them all?

23 MR. DENTON: The additional over what is in the
24 budget would be five people and \$1.2 million.

25

1 COMMISSIONER GILINSKY: Do you remember whether
2 that was your suggestion originally or whether this was
3 something that we imposed on you?

4 MR. DENTON: I haven't asked Steve that. What is
5 the basis for the original each year requal?

6 MR. HANAUER: The original proposal in SECY
7 79-330, A, B, C, D, E, R, F, and I can't remember which, was
8 for the Commission to give 10 percent of the exams as an
9 audit on the required program of the industry.

10 COMMISSIONER AHEARNE: The required program is how
11 often?

12 MR. HANAUER: The required program is for
13 everybody to requal annually, at least once a year.

14 COMMISSIONER GILINSKY: Including a written exam?

15 MR. HANAUER: Yes, sir. It is Part 55, Appendix
16 A, lectures, written exam and now, not in Part 55, a
17 simulator.

18 COMMISSIONER GILINSKY: Let me ask you. Does that
19 mean that currently every operator takes a written exam
20 administered by the utility every year?

21 MR. HANAUER: Yes, sir.

22 COMMISSIONER GILINSKY: That is how big an exam?
23 Is it a one-hour exam?

24 MR. HANAUER: It is nominally similar in some
25 respects to the exam they take to qualify. That is to say,

1 it is multiple hours. I wouldn't want to say it is six or
2 eight or ten, but it is multiple hours.

3 However, the emphasis is different. The objective
4 of the written and simulator initial exams is to decide how
5 much requal each person needs, which areas he or she is
6 rusty in and how much classroom work and then they all do
7 these days two weeks of simulator I believe.

8 CHAIRMAN PALLADINO: Who prepares the questions
9 for those exams? Does the licensee?

10 MR. HANAUER: Almost always the training staff.
11 There is a training supervisor in each company and some kind
12 of training supervisor in each plant. That is one of the
13 principal workloads is to requal everybody every year.

14 COMMISSIONER GILINSKY: Is the answer that we
15 imposed the exam?

16 MR. HANAUER: The Commission did not accept the
17 the staff's ten percent recommendation but required the
18 staff to plan for and implement in a future year a hundred
19 percent NRC administered requal examinations.

20 COMMISSIONER GILINSKY: Do you have any idea what
21 is done in other areas, for example, testing of pilots? Do
22 they take exams fairly frequently?

23 MR. HANAUER: It varies. I understand civilian
24 pilots do simulator work every six months but no written
25 exams. There is also the check flight check pilot scheme,

1 but I don't standing here know the frequency which is done
2 in the airplane with an extra pilot in the cockpit as a
3 check pilot examiner.

4 COMMISSIONER GILINSKY: Yesterday I referred to
5 remarks by you which were quoted I don't know whether
6 accurately or not in one of the weeklies which I looked at.
7 I don't know whether anyone mentioned this to you or not.

8 MR. HANAUER: Yes, sir, it has been mentioned to
9 me.

10 COMMISSIONER GILINSKY: I would like to give you
11 an opportunity to comment on it.

12 MR. HANAUER: I heard it in the bus coming down.
13 I haven't seen the article because I have been out of town.
14 What I hope I said was that the Commission has instructed
15 the staff to take a new in-depth look at operator
16 qualifications. One of the things that they want us to do
17 is to put together a peer panel of non-NRC people with
18 expertise drawn from such places as NASA and the Department
19 of Defense. The combination of the severe schedule imposed
20 by the Commission and the wide net suggested to me that we
21 were going to have trouble getting the really top people to
22 focus on it for us. We will have a peer panel. We are
23 working on it now but it won't have all the people we really
24 want on it.

25 COMMISSIONER GILINSKY: Well, it seems to me

1 important to either make this thing work or, if it is not a
2 workable scheme, to do something else, to go to, I don't
3 know what, the National Academy of Engineers or somewhere.

4 COMMISSIONER AHEARNE: If there is a slight
5 relaxation in the schedule it would accomplish getting what
6 you want.

7 MR. HANAUER: We have a proposal in the mill which
8 includes some relaxation in the schedule, not names, but
9 types of people. I think they will carry out your
10 intentions.

11 CHAIRMAN PALLADINO: What do you mean by
12 relaxation of the schedule? Do you mean the schedule for
13 the peer group?

14 MR. HANAUER: The schedule for the peer group and
15 the reconsideration of the whole subject.

16 COMMISSIONER GILINSKY: Well, let's see, didn't we
17 say that this ought to be done within, what, six months or
18 something like that? Is that too short a time?

19 MR. HANAUER: You said three months and I think
20 that probably is too short a time to include the industry
21 reconsideration. They have a program going now to do a test
22 analysis and we are supposed to hear the results toward the
23 end of August. The peer panel, the workshops and the
24 technical work I don't think can be done in three months and
25 we have proposed a somewhat more extended schedule.

1 COMMISSIONER GILINSKY: Like what, like six months?

2 MR. HANAUER: Something like that, yes. I don't
3 have that in my head either.

4 COMMISSIONER GILINSKY: We were, at least I,
5 turning to this group partly in desperation of here is
6 really an important problem that we have been dealing with
7 and we don't seem to have come up with a satisfactory
8 solution. There are other agencies that have had a lot of
9 experience in dealing with operational aspects of complex
10 technologies and the training of people and the testing of
11 people who could help us. I thought that by convening such
12 a group a government group we could make some headway.

13 I guess what put me off a little bit was not
14 conveying what you had said accurately. But, in any case,
15 the impression I got was, you know, here is the Commission
16 and they have another one of their ideas and it is probably
17 not going to work.

18 If that is right, if we are doing something dumb,
19 then we ought to know right away and do something
20 different. But if it is the right way to do it, then we
21 ought to go ahead and get it done.

22 MR. HANAUER: I don't think it is dumb. I presume
23 I was quoted accurately.

24 COMMISSIONER AHEARNE: That is a dangerous
25 assumption when you are dealing with the press.

1 MR. HANAUER: Therefore I probably didn't express
2 myself accurately. I don't think it is a dumb thing to do.
3 I don't think we can do the kind of thing, the level of
4 consideration that the Commission wants and that I think is
5 needed in the time available and have therefore proposed a
6 more extended time.

7 COMMISSIONER GILINSKY: All right. Thank you.

8 COMMISSIONER BRADFORD: Steve, are the exams
9 graded by NRC or by NRC contractors?

10 MR. HANAUER: The NRC exams, coming back now to
11 the exams NRC gives, at the moment we give no requal exams.
12 That is entirely a licensee program which we audit by
13 discussing with them what they do and looking at some of
14 their products.

15 COMMISSIONER AHEARNE: You are speaking of the
16 exam?

17 MR. HANAUER: Well, their whole program, what
18 exams they give, what they do with the results, what kind of
19 training they give, what they do in the simulator and how
20 they decide the people are up to snuff. We look at their
21 whole program.

22 Now, the exams the NRC gives are graded by the
23 NRC. At the present time the NRC means, first of all, our
24 employees, second, an army of about 25 or 30 consultants who
25 work for us as part-time examiners and, thirdly, a growing

1 army of contractor employees who work as license examiners
2 just as though they were employees except that the decisions
3 are made here in Bethesda based on their recommendations.

4 In general the people who give the exam grade the
5 exam, although there is some Joe grading for Bill.

6 COMMISSIONER BRADFORD: Is the exam administered
7 by our people or by licensee people? On examination day who
8 is there passing out the books?

9 MR. HANAUER: The NRC exams, I always have to make
10 this distinction, are given by the NRC. We pass out the
11 books. Actually we don't use books. They just use pads of
12 paper.

13 COMMISSIONER BRADFORD: This could be NRC
14 employees or contractors?

15 MR. HANAUER: These could be NRC employees,
16 consultants or contractors, but for this purpose they are
17 all NRC. They pass out the books. They get help from the
18 licensee in the actual physical proctoring when they need it
19 so that we don't have to send extra people out there just to
20 proctor.

21 The NRC people conduct the oral exams. The NRC
22 people monitor and grade the simulator exams. That is a
23 little more complicated.

24 COMMISSIONER BRADFORD: When you say we get help
25 on the proctoring, help from the licensees?

1 MR. HANAUER: Yes, usually from the training staff.
2 The simulator exam, we are still trying various schemes on
3 simulator exams. I went to a day of simulator exams at a
4 facility and we tried two or three things that day. The
5 simulator is a machine that requires an operator to put in
6 the malfunctions.

7 The scenarios are developed by the NRC examiners
8 and discussed with the licensee so that we don't do
9 something stupid. The actual manipulation of the computer
10 instructor's console is done by a licensee employee working
11 from our scenario.

12 Then our examiners with various levels of
13 interaction, and we haven't quite decided how much to badger
14 the people, why are you doing this and have you thought of
15 that kind of questions, our examiners then monitor what the
16 students, applicants do.

17 The sceme has been for a two-person applicant
18 team, a senior reactor operator applicant and a reactor
19 operator applicant. In general the numbers are right so
20 that the people going for senior licenses take the senior
21 role and the people going for junior licenses take the
22 operator role. Occasionally it is unbalanced and that just
23 makes our job a little harder, especially when we grade.

24 Then each examiner has one candidate to watch. He
25 has the scenario, he has preplanned the things he wants the

1 candidate to look for and the operations he should perform,
2 the things he should watch out for and he then follows along
3 typically a two-hour scenario of things going wrong. In
4 this way he establishes the grade.

5 COMMISSIONER BRADFORD: Thanks.

6 MR. DENTON: I mentioned yesterday the resources
7 that were going into this and I probably should have put it
8 in terms of professional staff years. I am talking about in
9 '81 and not in the budget. I had said 15. Actually it is
10 more like 12 professionals that Steve has in the branch
11 today administering these exams. I think we have got two
12 people about to come onboard in Chicago which would be the
13 total amount of professionals. All the rest of the effort
14 then is through consultants and contractors.

15 So today about 70 percent of the exams are being
16 conducted by people other than direct NRC employees, or will
17 be by the time we get all the contractors up to speed.

18 CHAIRMAN PALLADINO: Seventy percent?

19 MR. DENTON: Yes.

20 Peter, do you want to pick up the questioning of
21 NRR?

22 COMMISSIONER BRADFORD: Let's see, I can. I don't
23 have any more that have anything to do with operator
24 training. So if Vic wants to pursue his.

25 COMMISSIONER AHEARNE: Let me, if I could, Harold

1 or Steve. We had some questions yesterday if we could just
2 explore a little bit more on. When someone fails in a
3 simulator training, have you had people fail in a simulator
4 portion and is it a single individual or is that team of two?

5 MR. DENTON: Let me ask Steve to answer.

6 MR. HANAUER: The individuals are graded one at a
7 time since it is a personal license. So if somebody fails
8 it is the individual who fails and not the team. We have
9 had instances where one person passes and one person fails.

10 COMMISSIONER AHEARNE: As I recall the written
11 portion there is a provision after a period of time for the
12 person to take the written portion again.

13 MR. HANAUER: Yes.

14 COMMISSIONER AHEARNE: Is there similarly on the
15 simulator?

16 MR. HANAUER: Yes.

17 COMMISSIONER AHEARNE: Does that occur
18 immediately? I gather that this group of people in some
19 cases will have to physically go to a different location to
20 use the simulator.

21 MR. HANAUER: That is correct. That is the rule
22 rather than the exception these days. The rules provide,
23 and I think it is in the rule but I would have to look, that
24 if a person fails he can be retested after two months. If
25 he fails the second time he may be retested after six months

1 and that is all we allow.

2 COMMISSIONER AHEARNE: Now, in order to do that
3 retest then that individual would have to go back to the
4 simulator with at least one other person?

5 MR. HANAUER: Yes. In general they wait for the
6 next group or class from that facility.

7 COMMISSIONER AHEARNE: These classes go at a
8 period that is such that every few months there is a group?

9 MR. HANAUER: In general, although with the older,
10 low turnover facilities sometimes it is once a year. If
11 they need the person they will arrange for the exams.

12 Now, at the moment we don't give simulator exams
13 on non-plant specific simulators. In general for
14 replacement people we don't give simulator exams away from
15 the facility on somebody else's facility that doesn't really
16 fit. They get simulator training, but if they have to do it
17 away on a machine which isn't like theirs, there is then a
18 period of retraining and requal almost to take what they
19 learned in unit "X" and get back to where they really
20 understand their own unit. We therefore don't think it is
21 useful or proper to give that kind of exam on non-specific
22 simulators.

23 We are reconsidering this. Two things are
24 happening. One is the number of simulators is going to
25 approximately quadruple over the next two or three years.

1 Therefore there will be a large increase in the number of
2 plant specific simulators on which we can give good exams.

3 The second is we are trying to figure out whether
4 there is a valid exam which is not counterproductive both to
5 the examining process and to safety that we ought to be able
6 to give on these different simulators.

7 COMMISSIONER AHEARNE: Now, do you not give
8 simulator exams to replacement people?

9 MR. HANAUER: When there is a plant specific
10 simulator we do. When there is not a plant specific
11 simulator in general we don't.

12 COMMISSIONER AHEARNE: How many plant specific
13 simulators are there now?

14 MR. HANAUER: There are a total of 12 simulators
15 of which something like three or four are not specific to
16 any plant, although even that is not quite right. Even the
17 one at Winsor, for example, was built to look like Calvert
18 Cliffs. So there aren't any simulators that I know of that
19 don't simulate some plant reasonably well.

20 COMMISSIONER AHEARNE: For how many plants do you
21 have simulators which from the training staff's view are
22 acceptable for use for these plant specific examinations?

23 MR. HANAUER: I can't give you that number. It is
24 something more than 12 because there are groups of plants
25 which are similar where the simulator was similar enough

1 that it is useful to give exams.

2 COMMISSIONER AHEARNE: At the moment it is still a
3 small fraction?

4 MR. HANAUER: It is a small fraction.

5 COMMISSIONER AHEARNE: Of course, plants are
6 increasing in number also.

7 MR. HANAUER: I expect more than half the plants
8 will have simulators on which today we would give exams even
9 with out limited standards by 1984.

10 CHAIRMAN PALLADINO: Can I ask a couple of
11 follow-up questions on the operator training and examination.
12 You indicated that the requalification is entirely
13 up to the licensee; is that right?

14 MR. HANAUER: That is correct.

15 CHAIRMAN PALLADINO: What then is the purpose of
16 the NRC's oral and written exam, not counting the simulator
17 for the moment? Is it to monitor the effectiveness of the
18 licensee's program?

19 MR. HANAUER: As far as requal is concerned,
20 anything the NRC would do would be in the way of auditing or
21 monitoring or keeping up with the licensee's program,
22 unless, heaven forbid, the NRC takes on the whole requal
23 training.

24 CHAIRMAN PALLADINO: Well, what happens if an
25 individual does not pass the oral or written portion of the

1 exam? If he is an operator is he allowed to continue
2 operating?

3 MR. HANAUER: Today the purpose of this exam is to
4 decide how much requal he gets. If he really does badly, he
5 is kept on training until he gets up to speed again.

6 CHAIRMAN PALLADINO: What happens if an individual
7 fails the licensee examination?

8 MR. HANAUER: I am sorry, the licensee requal exam?

9 CHAIRMAN PALLADINO: Yes.

10 MR. HANAUER: The licensee gives the requal exam
11 to figure out how much training a person needs. It is not
12 pass/fail in the sense that his job is on the line. This,
13 by the way, is one of the negative aspects, it has positive
14 aspects also, of the NRC actually administering requal exams.

15 The candidate is going to feel that he is in this
16 way putting his job on the line periodically which has
17 positive and negative aspects to it. This means one will
18 still have to do something else for diagnostic purposes. So
19 that what we do would presumably be in addition to a
20 all-run licensee requal program.

21 CHAIRMAN PALLADINO: Getting back to the NRC exam,
22 you indicated that if a person failed it then two months
23 later he could come back?

24 MR. HANAUER: He can come back if he is certified
25 by the company that he is now ready.

1 CHAIRMAN PALLADINO: I see.

2 MR. HANAUER: If he has failed pretty badly we
3 might ask for evidence that he really is ready.

4 CHAIRMAN PALLADINO: But if he fails that one?

5 MR. HANAUER: In six months he may come back a
6 third time.

7 CHAIRMAN PALLADINO: When happens if he fails that
8 time?

9 MR. HANAUER: We are finished with him. He
10 doesn't get his license.

11 CHAIRMAN PALLADINO: If he has a license would you
12 withdraw it?

13 MR. HANAUER: Today we don't give exams to people
14 who have licenses except for upgrading. Now, a person who
15 has a reactor operator's license and wants to be a senior
16 operator takes our senior operator's license. If he fails
17 that, then the exam is given in such a way that we can
18 decide whether he passes as a reactor operator or whether he
19 failed so badly he ought to lose that, too, in which case we
20 require him to be retrained before he can stay as a reactor
21 operator.

22 CHAIRMAN PALLADINO: Something you said confuses
23 me. You said that the NRC does not give exams to people
24 that are already licensed.

25 MR. HANAUER: In general that is correct. We are

1 not yet into an NRC requal exam program.

2 CHAIRMAN PALLADINO: What is this 20 percent?

3 MR. HANAUER: That is proposed for the future.

4 That program does not exist today.

5 CHAIRMAN PALLADINO: I see. So we are talking
6 about a future program. When would that be implemented?

7 MR. HANAUER: The original staff requirement, the
8 Commission told the staff to begin this in fiscal '82.

9 There are funds proposed to the Congress to begin that.

10 CHAIRMAN PALLADINO: Thank you.

11 COMMISSIONER AHEARNE: I have two other operator
12 section questions.

13 In the operator licensing, we had in the budget
14 for '82 37 people. I believe the recovery plan has reduced
15 that to 22; is that correct?

16 MR. HANAUER: That is right. We reduced the
17 number of people and increased the number of dollars.

18 COMMISSIONER AHEARNE: So that the total work that
19 you expect to be able to be done is roughly the same?

20 MR. HANAUER: That is correct.

21 COMMISSIONER AHEARNE: So that as far as a
22 functional change in what you had planned on doing in '82,
23 there is no change?

24 MR. HANAUER: That is right. '82 was to be the
25 year we began the requal program and tried some different

1 things. It was intended when we wrote the '82 budget to
2 wrap on up to 100 percent requal in accordance with the
3 Commission's decision.

4 COMMISSIONER AHEARNE: Now, in '83 you had
5 requested 43 people. The new number is 32. In '84 you are
6 requested 68 and the new number is 40. Is there a tradeoff
7 of additional dollars in each of those years to compensate,
8 as you just said, in '82?

9 MR. HANAUER: Yes, sir.

10 COMMISSIONER AHEARNE: For the total amount?

11 MR. HANAUER: Yes, sir. The total amount is
12 approximately correct. There is an arithmetic error in '84
13 that we didn't bother with.

14 COMMISSIONER AHEARNE: So that the original budget
15 request that you made was to cover only the 20 percent?

16 MR. HANAUER: Yes, except for the increment in '83
17 as described by Mr. Denton.

18 MR. FUNCHES: The total number you are looking at
19 would include 100 percent with our request above the line at
20 20 percent and below the line at 100 percent, the line being
21 EDO's guidance level. So the total number you are looking
22 at for comparison, the 43 and the 33, \$3.3 million. Well, I
23 guess the 43, \$4.5 million. It is over \$9 million in '83
24 which includes a hundred percent requal. I guess there were
25 two changes made to that number and three basic changes made

1 to the requal test. One, the 100 percent requal and the
2 other was which thousand people for the 20 percent and there
3 was the elimination of operator training.)

4 COMMISSIONER AHEARNE: But at the 43 level you
5 could have done 100 percent?

6 MR. FUNCHESS: Yes, that is correct.

7 COMMISSIONER AHEARNE: Now, Steve, in the past you
8 have had some difficulty, driven to a large extent to a
9 large amount by that freeze that was put in, in getting
10 competent people into the office, the number of people that
11 you wanted. Do you foresee being able to build up even at
12 the strength that you are now given?

13 MR. HANAUER: The requests as transmitted to you,
14 which include overhead, the numbers to recruit in examiners
15 are somewhat lower than that, represent we think an
16 optimistic but feasible level of recruiting if we work at it
17 very hard.

18 COMMISSIONER AHEARNE: But it is still hard?

19 MR. HANAUER: Yes, very hard. It is very
20 difficult to recruit people for these positions who are (a)
21 qualified and (b) willing to do it.

22 COMMISSIONER AHEARNE: The reductions that have
23 been described, the functional reductions so far, as far as
24 I gather the only change has been to go from the 100 percent
25 to the 20 percent.

1 MR. HANAUER: That is correct. There is also the
2 non-operator program.

3 COMMISSIONER AHEARNE: That is the other piece.
4 What is the basis for not recommended resources
5 for licensing of non-operator personnel?

6 MR. DENTON: The arrangement of office
7 priorities. We were instructed to put together a budget
8 that came in at the EDO's marks. So we took each decision
9 unit, such as our operator licensing, and put certain things
10 above and below. So it is a question of staying within the
11 mark.

12 The program to administer written and oral and to
13 have a pilot program didn't rise to that priority level
14 within the constraints of the office.

15 COMMISSIONER AHEARNE: Could you just say a few
16 words why you don't think it rises to a priority level?

17 MR. DENTON: I can only balance within NRR's
18 program. I started out with operating reactors and we put
19 all the resources we needed in operators reactors to do the
20 TMI ... ion plan and the top priority items. We put all the
21 dollars in there to do case work and all the items to do
22 unresolved safety issues. We put in things like we just
23 heard and then certain things which we had hoped to do fall
24 below that.

25 COMMISSIONER AHEARNE: But it still has to be

1 somehow a judgment decision I think you your part that the
2 non-operator side is not of particular significance?

3 MR. DENTON: No, I think it is important, but I
4 don't see any way to do it in this budget.

5 Steve, would you like to comment on the relative
6 importance of that unit versus operators?

7 MR. HANAUER: Yes, sir. The non-operators have
8 two components. One is the technicians, health physics,
9 instrument and mechanical who work under the supervision of
10 licensed operators. Their mistakes have in many cases
11 considerable safety significance. But if we have to choose,
12 we would choose the license to operators because they
13 supervise the others and we can get a measure that way.

14 The other component of the non-operator program is
15 the managers, plant managers, operation superintendents and
16 corporate managers. We have been required by Congress to
17 study the potential for licensing.

18 Here again it did not seem to us that issuing pink
19 tickets, licensing these people had the same kind of direct
20 safety significance, in this case because the required
21 attributes of such people didn't seem to us particularly
22 amenable to an examination and licensing kind of program.

23 COMMISSIONER AHEARNE: Harold, when you say it
24 fell below the line or above the line, I forget which your
25 term was. I have this chart I guess generated that says

1 here is the over EDO's⁴ guidance line.

2 MR. DENTON: Yes.

3 COMMISSIONER AHEARNE: Did that fit into the
4 action plan priority two and three tasks?

5 MR. DENTON: No, that is a separate topic. We had
6 recommended as a setaside the pilot program that we are
7 discussing. That would involve three people in '83 and 13
8 people in '84.

9 COMMISSIONER AHEARNE: That was not listed in your
10 study.

11 MR. DENTON: It didn't make it to the budget; that
12 is right.

13 COMMISSIONER AHEARNE: Now, you say you are doing
14 a study or you are not?

15 MR. HANAUER: We are doing at this moment the
16 Congressionally mandated study on the managers.

17 MR. DENTON: We have no program funded in '83 and
18 '84 to initiate the pilot program for licensing non-reactor
19 operators.

20 COMMISSIONER AHEARNE: You request, at least for
21 the internal in the office, how many people is that?

22 MR. DENTON: We had requested three in '83, which
23 I guess in '83 we would be developing the program and then
24 in '84 begin to implement such a program. It would be 13
25 people in '84.

1 COMMISSIONER AHEARNE: Dollars?

2 MR. DENTON: No, because this would be the pilot
3 phase of the development.

4 COMMISSIONER AHEARNE: That did not rise even
5 internally in your office to a priority that was over EDO's
6 guidance line?

7 MR. DENTON: I put together a budget of the things
8 I had hoped to accomplish in '84 and that I thought we
9 should try to accomplish and they were either within
10 guidance or above guidance. This was an above guidance
11 item. I recommended it as a setaside and EDO deleted it
12 from the budget.

13 COMMISSIONER AHEARNE: Well, I was just looking at
14 the NRR charts that came up. There is one in guidance and
15 the other was over guidance.

16 MR. DENTON: Look at page 12.

17 COMMISSIONER AHEARNE: These are pages 16 and 17.

18 MR. DENTON: Well, it rose in my level to over
19 guidance. If the Commission could find resources to do it,
20 I think it is worthy of doing. But within my ability to
21 rank them I had to put it over the guidance.

22 COMMISSIONER AHEARNE: That is all I have.

23 CHAIRMAN PALLADINO: Peter, do you want to pick up
24 on other aspects of NRR?

25 COMMISSIONER BRADFORD: I would be glad to. I

1 think it was Victor, though, who was questioning before.

2 COMMISSIONER GILINSKI: No.

3 COMMISSIONER BRADFORD: I would be glad to go on
4 for a while.

5 CHAIRMAN PALLADINO: Victor said he was finished.

6 COMMISSIONER BRADFORD: Harold, in terms of the
7 general themes am I right in reading this that your FY-83
8 budget as taking about two-thirds of the way back the
9 relationship among the decision units that existed before
10 the recovery plan? Don't worry about the exact number.

11 MR. DENTON: The '82 budget, let me start there,
12 is very much dominated by just a few items. A lot of the
13 issues or accomplishments we had hoped to do in '82 have had
14 to be pushed off. Now, '83 does tend to put back in the
15 resources that didn't make it in the '82 budget.

16 COMMISSIONER BRADFORD: By "pushed off" you are
17 referring now to the priority two and three items in the
18 action plan?

19 MR. DENTON: Yes.

20 COMMISSIONER BRADFORD: What else?

21 MR. DENTON: The progress on the generic issues
22 and the progress on the Operating Experience Evaluation
23 Branch feedback. There were a number of important areas
24 which when you go through the PPT guidance on the line
25 things there just was no room in the guidance number for '82

1 to do. The '83 budget does go a long way toward restoring
2 those because if we are successful in reducing the case work
3 in '82 as we are planning, the case work drops off
4 sufficiently in '83 to free up resources to do those things.

5 COMMISSIONER BRADFORD: Is the net effect of the
6 '82 and '83 budgets together roughly a one-year slip in the
7 types of programs you were mentioning, and others come to
8 mind, too, like equipment qualification for one.

9 MR. DENTON: There would be no slip in that area.
10 There would be no slip in '82 in the USI's.

11 COMMISSIONER BRADFORD: Darrel has said on a
12 number of a couple of occasions that he anticipates a fairly
13 substantial slip in the environmental qualifications.

14 MR. DENTON: Well, to the extent that that was
15 occurring, it is independent of this budget. That is a
16 problem today in '81.

17 COMMISSIONER BRADFORD: But the deadline is in '82.

18 MR. DENTON: Yes.

19 COMMISSIONER BRADFORD: I assume that a lot of the
20 staff work that would have had to have been done to meet
21 t at deadline, if the deadline itself shifts, will shift to
22 '83?

23 MR. EISENHUT: Yes, but it is not governed by
24 budget considerations. What it is governed by is the
25 industry ---

1 COMMISSIONER BRADFORD: I understand that, but
2 there is a budget impact I would think.

3 MR. EISENHUT: Those resources needed to
4 accomplish that job are in this budget in '82.

5 COMMISSIONER BRADFORD: They are still in the
6 FY-82 budget?

7 MR. EISENHUT: They are still in the '82. None of
8 that was deferred at all. Just like the implementation of
9 certain of the TMI priority one things, it is still in here
10 with no referral.

11 As Harold mentioned, the number reducing the
12 operating reactor backlog down to zero was projected for
13 1984 in this budget. It just tapered down to 1986. So in
14 that case some of them are getting further out.

15 The only pieces are deferred by this rejugling
16 are the ones Harold mentioned.

17 COMMISSIONER BRADFORD: Right.

18 MR. EISENHUT: Actually the recovery plan per se
19 had a very small impact in terms of just a handful of areas
20 because there are not that many people really associated
21 with the recovery plan.

22 MR. DENTON: Obviously more resources in the EQ
23 would help, even though it is mainly an industry problem. I
24 have put all that I can spare in there to move toward the
25 '82 goal and still meet the other commitments.

1 COMMISSIONER BRADFORD: I meant to ask the
2 question the other way. That is, there are programs coming
3 up with deadlines in '82 which for non-budgetary reasons
4 aren't going to be met or at least in all likelihood aren't
5 going to be met, environmental qualifications and for all I
6 know there are some fire protection areas where that is true
7 as well.

8 MR. DENTON: I have said before I think we are
9 stretched to the last limit to meet all the goals that we
10 are trying to in '82. If we have to stay within guidance
11 there are some things that just don't get accomplished and
12 we tried to identify those things in this budget.

13 If one or two people in EQ made the difference of
14 success or not, I would probably find those within the
15 budget somewhere.

16 COMMISSIONER BRADFORD: I am not suggesting that
17 we need to redo the '82 budget in order to get EQ in
18 particular done. I understand that you can't do that just
19 with NRC resources. I am trying to get some sort of feel
20 for what the budgetary implications for '83 were of what
21 seems like an inevitable slip in the June '82 deadline.

22 MR. DENTON: I guess my own view about the slip is
23 some period of consolidation with regard to developing new
24 issues, say in the generic issues isn't bad. We will be
25 coming to the Commission with a proposal as to how to rank

1 those generic issues and screen out really important ones
2 from the ones that aren't that important. We are all rather
3 taxed anyway in even implementing the hardware fixes and so
4 forth that we have got in the book now.

5 The one area though that I am going back and talk
6 to Bill about is the certain ones of the categories 2's and
7 3's in '82 which still are high priority in my book. I
8 think when we come back to the '82 budget some of those
9 things I sure would like to get done in '82 and not have
10 them slip another year.

11 COMMISSIONER BRADFORD: Now, with regard to the
12 case work and the impacted plants in particular, as I
13 understand it for planning purposes at least you are
14 assuming about 18 operating licenses in '83 and another
15 dozen or so in '84?

16 MR. DENTON: I counted up from the Bivel Report
17 there were 18 in calendar year '82 but there are only 13 in
18 fiscal year '82 and '15 in fiscal year '83.

19 COMMISSIONER BRADFORD: Those are the licenses or
20 those are the SER's?

21 MR. FUNCHE\$: These are the Commission decision
22 dates.

23 CHAIRMAN PALLADINO: What were they again?

24 MR. DENTON: Thirteen in fiscal year '82 and 15 in
25 fiscal year '83.

1 CHAIRMAN PALLADINO: Do you go on? Do you have
2 for '84?

3 MR. DENTON: '84 would be 8.

4 CHAIRMAN PALLADINO: Do you have beyond that?

5 MR. DENTON: No, but I can get that for you.

6 MR. EISENHUT: We just haven't projected that
7 far. But back to the Commissioner's question. You have got
8 to back off about a year or 15 months in front of that.

9 COMMISSIONER BRADFORD: To get the SER.

10 MR. EISENHUT: So what it really means is if you
11 look at, whether you are using calendar years or fiscal
12 years, the big bump is the very, very near future. That is
13 why we were projecting the coverage plan we really needed to
14 start a couple of months ago, which is what we did.

15 If you look on one 12-month period there are 18
16 decisions. It is hard to imagine the staff, and the
17 Commission, too, turning around with 18 decisions on 18
18 individual plants in a 12-month period. It is just a
19 phenomenal amount of work that we are going to have to do.

20 COMMISSIONER BRADFORD: But from your point of
21 view NRR is going to have to do the bulk of its work on
22 those 18 decisions 12 months earlier.

23 MR. DENTON: Yes.

24 COMMISSIONER BRADFORD: You will have to do it in
25 a 12-month period but it comes 12 months earlier.

1 MR. DENTON: In fact, we are more than 12 months
2 early because we allowed 11 months for the hearing process.
3 We have got to back up through the ACRS meeting and the SER
4 which is about three months. Then we have to start our
5 review a certain period of time before we get the SER out.
6 So our peak occurs almost two years before a Commission
7 decision date is scheduled. '82 is a real crunch. There
8 are so many plants being completed in that time.

9 COMMISSIONER BRADFORD: So if the licensees slip
10 by, oh, say 11 or 12 months, as at least one has in fairly
11 recent memory, their estimated completion date, unless they
12 do it a year or so in advance it doesn't help you very much;
13 is that right?

14 MR. DENTON: That is correct and that is very
15 important. In fact, if plants like McGuire slipped or
16 LaSalle slipped at the end, that doesn't help us because
17 that is sunken costs we expend on that effort far back. So
18 we are trying when we docket the facilities like Sharon
19 Harris, for example, that is coming in soon, we need to look
20 very carefully at that time to be sure that when we set up a
21 priority that we are lining them up in the right order.

22 COMMISSIONER BRADFORD: But the implication of our
23 using licensee completion dates then is that we inevitably
24 expend the man-years and then we can't get them back when
25 those dates turn out to be optimistic.

1 MR. DENTON: Some licensees are going to slip from
2 their dates.

3 COMMISSIONER BRADFORD: But you don't know which
4 ones.

5 MR. DENTON: We don't know which ones. They are
6 all trying to make rigorous recovery plans like we do. To
7 cite one, River Bend, which I may have mentioned to you
8 before, there was a big difference between our schedules on
9 River Bend. But when I visited them they had a no strike
10 union contract signed with some 40 companies. They had a
11 gold team and a blue construction team that worked ten-hour
12 days. They had 12 big cranes on site that is unheard of.
13 They are working to a schedule and they are meeting every
14 milestone of theirs.

15 So while historically no one achieves the short
16 date they do, it is hard to look at that operation and say
17 that they don't have a fair chance of meeting their
18 schedules. Our own curves say historically nobody does it
19 that fast.

20 I think in cases like that we would have to go
21 along with their date because to do otherwise just forecasts
22 the results in their slowing it down.

23 COMMISSIONER BRADFORD: But as a practical matter
24 doesn't that mean that in all cases you pretty well have to
25 go along with the licensee's date?

1 MR. DENTON: No. If we visit the plant at about
2 the time we are docketing and we see this five-year
3 construction period but there is no activity going on on the
4 site, then we can have a talk with the company and maybe get
5 more realistic estimates of that time. So we are trying to
6 monitor them before we ever start the effort so we have got
7 them in about the right order. Now, if they slip after
8 that, then it is true that we have expended the cost.

9 COMMISSIONER BRADFORD: But if a plant slips a
10 couple of years in advance of its estimated completion date,
11 or it slips a year, are you then able to take some of the
12 people who would have been working on that SER -- let me ask
13 it another way. What do you do with the people who were
14 about to go crashing full speed ahead on that SER?

15 MR. DENTON: If you look at the Bivel Report we
16 are locked into a front page, in other words, the '81 and
17 '82 plants.

18 COMMISSIONER BRADFORD: I am assuming for purposes
19 of that question that on the near-term plants it doesn't
20 free you up any man-hours and you would rather have them
21 slip.

22 MR. DENTON: That is right. Looking at the '83
23 plants, it is very important that I get them in the right
24 order. Now, Seabrook slips and as they slip I move them
25 down on a priority basis.

1 COMMISSIONER BRADFORD: What happens to the staff
2 that had been about to ---

3 MR. DENTON: That application has never been
4 docketed so we have never assigned staff. We have 30
5 applications under review and plants that far out that are
6 just coming in for docketing now only get a project manager
7 until the schedule gets developed and so forth. There are
8 more plants than we have technical reviewers in any one site.

9 MR. EISENHUT: Let me try to give you a data point
10 that is real simply. A couple of projects did slip. For
11 example, they slipped their date. Then they were a
12 non-impacted plant. That is, we were still projecting and
13 we had some time. So we in fact slipped the schedule. We
14 backed the schedule up so the staff could go ahead and work
15 on other things. If there would be an impact on it of
16 course we wouldn't do that.

17 MR. DENTON: We have made a stab at what is the
18 difference between their dates and our dates because of the
19 interest in this area. It appears to be about 10 percent of
20 our case work resources, or I would say less than one
21 percent of the agency's resources whether we use our dates
22 or their dates.

23 COMMISSIONER AHEARNE: You say you have done an
24 estimate if you were to use the forecast panel?

25 MR. DENTON: That is right.

1 COMMISSIONER AHEARNE: What does that come up to
2 be?

3 MR. DENTON: About ten percent.

4 COMMISSIONER AHEARNE: You mean you could get by
5 with 10 percent fewer people?

6 MR. DENTON: No, changes in the year. It might be
7 ten percent less expended in '82 and ten percent more in
8 '83. It is just a question of time. Our budget is high in
9 '82 and lower in '83 in case workers. If we use the other
10 kind of schedule it might drop ten and go up ten.

11 CHAIRMAN PALLADINO: Ten percent of your case work?

12 MR. FUNCHES: Ten percent of the operating
13 license's OL resources.

14 CHAIRMAN PALLADINO: Which slipped from one fiscal
15 year to the next?

16 MR. DENTON: Yes. About 20 people would move
17 around in time if you knew exactly which one to move around.

18 COMMISSIONER BRADFORD: Harold, let me come at it
19 another way. Before somebody comes in for an OL, before
20 they actually file the application before it is docketed,
21 how many people in NRR are doing work related to that plant
22 in a particular year?

23 MR. DENTON: Essentially zero.

24 COMMISSIONER BRADFORD: After it is docketed what
25 happens. How many people do you assign to it right away?

1 Does it then get a project manager, for example?

2 MR. DENTON: Not very many. Most branchers are so
3 impacted that they are not able to turn to an application
4 when it first gets in the door. In other words, a technical
5 branch chief looks at these Bivel reports and he has started
6 with LaSalle.

7 COMMISSIONER BRADFORD: Sure.

8 MR. DENTON: The one down here at Seabook, say,
9 has not even hit his visibility. It does get a project
10 manager assigned to it. So it takes Darrel's time, it gets
11 docketed, Federal Register notices and a review plan and
12 schedule gets developed and laid out. The branches that
13 aren't so heavily impacted, for whatever reason, do begin
14 with the QY. But it is essentially the last year before the
15 SER before it really gets cracking.

16 What we try to do when we docket it is look at the
17 really difficult issues, you know, if it is seismology or
18 auxiliary feedwater systems. We might pull out a few issues
19 and get the staff started on a few tough known issues in
20 that case, but it wouldn't be a big consumer. Many of our
21 '83 plants at the moment are dormant, other than that they
22 are waiting their turn.

23 One exception to that is if we go to consultants
24 in the review we can farm those out and get them started on
25 it. That is what has happened and a few of the '83 plants

1 already have consultant reviews going. That is another
2 reason we lose flexibility is that once we spend the money
3 in a contract review to start on an '83 plant it is kind of
4 hard to stop that and get them to work on something else.

5 COMMISSIONER BRADFORD: In the current scheme of
6 things what is rightly the period for an average plant
7 between docketing and issuance of an OL? Say it is a
8 contested case and then an uncontested case?

9 MR. EISENHUT: I think it is a 31-month schedule.

10 COMMISSIONER BRADFORD: You figure 31 months.

11 MR. EISENHUT: That includes two months for the
12 acceptance review.

13 CHAIRMAN PALLADINO: Two months for what?

14 MR. EISENHUT: For the acceptance review. The
15 first two months when it comes in the door very few people
16 internally look at it. In fact, we don't even have it
17 assigned to a project manager. We use a national lab.

18 MR. DENTON: Other things do go on like the
19 environmental report starts up which usually precedes the
20 SER. The antitrust may get started and some of these things.

21 COMMISSIONER BRADFORD: Do you have a figure
22 comparable to the 31 months for the number of man-years it
23 takes to do an OL? What is that figure?

24 MR. DENTON: You mean the total time to do an OL?

25 COMMISSIONER BRADFORD: The total number of

1 man-years.

2 MR. DENTON: About 20.

3 COMMISSIONER BRADFORD: Does that vary with
4 whether it is a contested or an uncontested?

5 MR. DENTON: I think it is too early to tell since
6 TMI. We haven't had enough cases to build up a data record
7 though we looked at about 12 plants, some of which have not
8 gotten all the way through the process yet. So it seems to
9 be taking about 20. We are using data that the Comptroller
10 and the MPA have agreed with and it is just historical
11 data. It has no allowance for any of the future rules that
12 the Commission may adopt by '83.

13 COMMISSIONER BRADFORD: If I have understood you
14 correctly, the bulk of those man-years are expended, if one
15 uses that 31-month schedule, between about months 10 and
16 months 20, would that be right?

17 MR. DENTON: That sounds about right. We would be
18 happy to provide a better breakdown for you.

19 MR. EISENHUT: We have it on a time line. It is
20 actually a little earlier than that.

21 MR. DENTON: We have a model that we have
22 developed historically as to when the manpower goes and that
23 is how we actually make these projections. We docket and
24 then we assume this model and we expend certain efforts at
25 each time.

1 MR. EISENHUT: The Comptroller has a model that
2 functions at certain stages. They use the model to
3 project. We give them the different dates that we can start
4 and end on. They put it in the model and crack out how much
5 manpower is needed for the job. The hearing times that
6 lasts 11 or 12 months, the OL's we project project to be
7 about three staff-years and that is professional
8 staff-years. That is three of the twenty. Most of our work
9 ends at about 14 months from the end.

10 MR. DENTON: I understand when I put the budget
11 together that I can free up some resources if I am able to
12 use longer dates. What the agency does is run the risk of
13 missing a date obviously if you don't do it. So that is the
14 tradeoff. I thought there were strong feelings in the first
15 of the year that you wanted schedules that would provide a
16 high degree of assurance of the staff meeting its dates.

17 COMMISSIONER BRADFORD: I am just trying to get a
18 feel for the assumptions. I don't mean to be implying a
19 judgment one way or the other.

20 What are sort of the best and worst cases if 20
21 man-years is typical or average? Do you have examples of
22 plants that have done much better and much worse than that?

23 MR. DENTON: Yes, I do.

24 Why don't we find it and I will go on to your
25 other questions and I will have it here in a moment.

1 COMMISSIONER BRADFORD: Well, actually my other
2 questions flow right from that. I wanted to get a feel for
3 what makes it especially easy or what makes it especially
4 hard.

5 MR. EISENHUT: I think the variation on it was
6 something like 14 man-years for an older plant, where we had
7 done a lot of the review before, to about 20.

8 COMMISSIONER BRADFORD: By "done a lot of the
9 review before," you mean you had done it on that plant?

10 MR. EISENHUT: Yes. The thing you have to
11 remember is many of the plants that we just finished going
12 through the process, like Farley 2, we had done most of the
13 safety review three or four years ago.

14 COMMISSIONER BRADFORD: For Farley 2 or in the
15 context of doing Farley 1?

16 MR. EISENHUT: Well, Farley 1 and Farley 2, most
17 of it was done together really.

18 COMMISSIONER BRADFORD: On two units you do most
19 of the review for the second unit?

20 MR. EISENHUT: On the first unit. Generally the
21 same plant it is the same application.

22 MR. DENTON: The numbers as I remember range from
23 like 17 to 23 man-years. We deliberately used the same
24 model that the Comptroller used. You may remember in
25 earlier years we would disagree and we would claim more

1 effort than the Comptroller. I think he did a special study
2 and there is no disagreement within the EDO's office about
3 the assumptions for what we have historically spent. But I
4 would say it must range by six or seven man-years a case,
5 the difference, depending on the difficulty of the case,
6 probably more than the hearing. You know, it depends on the
7 design of the plant and the problems that it brings us.

8 COMMISSIONER BRADFORD: Now, do you have
9 situations where you are dealing with a plant that isn't the
10 second necessarily of two units on the same site but that is
11 in large part identical to a plant reviewed elsewhere at an
12 earlier time?

13 MR. DENTON: Yes. Once example of that is Watts
14 Bar which is very similiar to Sequoyah 1 and 2 as far as the
15 plant is concerned and there are very minor differences. So
16 I am trying to label those Watts Bar books Sequoyah 3-4.
17 Sometimes we deliberately have another review done by a
18 different person and he doesn't necessarily adopt the last
19 finding.

20 Case work really adds to safety for ourselves
21 because we have discovered things through case work. You
22 know, if we have another reviewer look at the same system
23 again he might spot something that the first reviewer
24 didn't. But in general we are trying to economize as the
25 only way to keep down the case work requirements. So we are

1 going to make Sequoyah 1 and 2 count for Watts Bar to the
2 maximum extent.

3 COMMISSIONER BRADFORD: What is the comparable
4 number of man-years to the 20 figure that you would see
5 applying to Watts Bar?

6 MR. DENTON: The site would differ so the
7 environmental reports differ. We would have to relook at
8 some of the management issues and operating licensing review
9 people and so forth I will have to go back division by
10 division to get the right answer. Another key is how far
11 separated they are in time.

12 COMMISSIONER AHEARNE: Was Watts Bar contested?

13 MR. BICKWIT: No.

14 COMMISSIONER BRADFORD: Is the environmental
15 review very different from the environmental review that
16 would have been done for the CP?

17 MR. DENTON: We updated with the new information.
18 Do don't do a de novo environmental review. It piggybacks
19 on the other one.

20 COMMISSIONER BRADFORD: What does a worst case
21 look like? What is the worst case in the post-TMI era?

22 MR. DENTON: Diablo Canyon.

23 COMMISSIONER BRADFORD: The man-years, what does
24 that amount to?

25 MR. EISENHUT: It is 20-something running today.

1 Most of our data and these numbers that Harold and I are
2 using are on cases like North Anna, Salem and Sequoyah which
3 are not contested cases. So the number on Diablo is going
4 to be higher, but we anticipate that the Diablo's will trade
5 off with the Watts Bar's.

6 COMMISSIONER BRADFORD: Do you know the McGuire
7 number?

8 MR. EISENHUT: I don't know the McGuire number.
9 The review on that was been done way back. For the new
10 ones, we are just going to have to wait and see what the
11 data looks like on some of these plants.

12 COMMISSIONER BRADFORD: John, I am exhausted for
13 the moment.

14 CHAIRMAN PALLADINO: Can I ask just a few
15 follow-up questions on licensing.

16 You indicated earlier that you expected to see 13
17 licenses in fiscal '82, 15 in fiscal '83 and 8 in fiscal
18 '84. Now, how many SERs would you have to do in each of
19 those years to keep your schedule?

20 MR. DENTON: Our estimates are right out of the
21 Biven Report. So we can just count them up.

22 COMMISSIONER AHEARNE: In general the SER
23 completion would be about one year earlier than those dates
24 that you mentioned?

25 MR. DENTON: Yes.

1 CHAIRMAN PALLADINO: So I assume that in fiscal
2 '83 you are going to have to put out 15 SERs?

3 MR. EISENHUT: It turns out it is 16 by the
4 schedule, but as the Commissioner said, it is generally
5 about 14 months in front of the decision date.

6 CHAIRMAN PALLADINO: So for a first order I can
7 say in fiscal '82 you are going to have 15 SERs?

8 MR. DENTON: Yes.

9 MR. EISENHUT: That is correct.

10 CHAIRMAN PALLADINO: In fiscal '83 there are only
11 eight?

12 MR. FUNCHES: That would be about right.

13 CHAIRMAN PALLADINO: That implies your workload is
14 going down but actually you have got a lot of cases coming
15 up.

16 MR. DENTON: Our budgeting hasn't gone on cut to
17 '85. There may be a few stragglers who would get into our
18 Bivel Report that haven't been docketed yet, but this budget
19 tries to look at '83 and '84.

20 CHAIRMAN PALLADINO: What I am trying to get at is
21 I sensed that you were saying there was a peak in your load.

22 MR. DENTON: Yes.

23 CHAIRMAN PALLADINO: Yet, there is a whole lot of
24 plants coming up in the future. Is that peak realistic or
25 are you saying you are just going to phase in to where you

1 have a pretty constant load?

2 MR. DENTON: The '82' peak is certainly real
3 because they are all here before us. Now, if for some
4 reason we don't succeed in getting rid of those plants, or
5 we don't meet our SER production dates because of some snag
6 we encounter in the process, they will be with us in '83 and
7 the workload would not go down.

8 COMMISSIONER AHEARNE: Your assumption on your
9 budget is in '83 and '84 you are assuming ---

10 MR. DENTON: That is right, that we are successful.

11 CHAIRMAN PALLADINO: Does that imply that you are
12 going to get to a steady state level of about eight SERs a
13 year?

14 MR. DENTON: No. Well, you have to add into that
15 those handful of CP's that are also being worked on. We
16 will issue the final SSER on Pilgrim and we will issue the
17 final one on Allens Creek this month. Except for those new
18 plants coming in, we will have disposed of all OL
19 applications and the office's main workload then would be
20 the operator actions and safety technology.

21 COMMISSIONER BRADFORD: Did you mean you would
22 have disposed of all OL actions or all CP actions?

23 MR. DENTON: OL applications for a while until the
24 new ones such as Pilgrim showed up again.

25 COMMISSIONER BRADFORD: Oh, I see. Okay.

1 Obviously there will be plenty of the others.

2 MR. DENTON: By about '85 there aren't any on our
3 current forecast OL applicants coming in.

4 COMMISSIONER BRADFORD: There are none coming in
5 in '85?

6 MR. DENTON: Well, I don't remember the numbers
7 but there is a very small number.

8 COMMISSIONER BRADFORD: Your numbers totalled
9 about 40 over three years and we have done six or seven. So
10 I guess that is 45 or so.

11 MR. EISENHUT: The confusing thing is that on our
12 budget anything past a certain point we don't see. There
13 are certainly plants out there through '88, '89 and '90 that
14 the competition dates are now projected for 1997. So there
15 will be a continuing stream.

16 COMMISSIONER BRADFORD: But I had understood
17 Harold to say that your forecasts were that there were no OL
18 applications coming in.

19 MR. DENTON: Let me take that back. I was just
20 trying not to speak in the budgeteer's language but in
21 general language. We have got 30 OL applications under
22 review now that by the time we get through our '83 and '84
23 budget period we will have worked through an awful lot of
24 the plants that are under construction. I will be happy to
25 give you a breakdown on who is left. I just haven't looked

1 at '85 or '86. My feel is it is few.

2 COMMISSIONER BRADFORD: It sounded like an odd
3 hiatus because obviously there are about 45 more plants.

4 MR. DENTON: There are not very many. Barry has
5 this information and we just schedule routinely.

6 COMMISSIONER AHEARNE: There really is a drop-off
7 as I remember Ed Triner's chart from last year. There
8 really is a peak in the '83 area.

9 COMMISSIONER BRADFORD: But is there another peak
10 then in '88 or something or it is just steady?

11 MR. DENTON: No.

12 COMMISSIONER BRADFORD: They aren't being built?

13 CHAIRMAN PALLADINO: It would be interesting, and
14 I don't know how important it would be, but it seems it
15 would be satisfying to me to see your projections on the
16 case work.

17 MR. DENTON: We have that. I just didn't relook
18 at it for this meeting.

19 CHAIRMAN PALLADINO: Let me ask one other question
20 on this licensing. How many contested hearings will have to
21 be completed each year to meet this schedule of 13 to 15?

22 MR. DENTON: Five of the 13 are uncontested.

23 CHAIRMAN PALLADINO: Five are uncontested.

24 MR. DENTON: I think the next year it looks like
25 they are all going to be contested.

1 CHAIRMAN PALLADINO: All contested.

2 MR. BICKWIT: There will be one uncontested.

3 Fourteen of the 15 aren't contested.

4 MR. DENTON: It is little hard for Dick with that
5 next batch, but the majority will be contested.

6 CHAIRMAN PALLADINO: Do you have a feel or is it
7 too far ahead for '83.

8 MR. DENTON: I would say all contested.

9 CHAIRMAN PALLADINO: Then you had mentioned
10 construction permits. How many construction permits or
11 manufacturing licenses, if we get to that point, do you
12 expect to be issued during these next several years?

13 MR. DENTON: The forecast is three CP's in '82 and
14 two in '83.

15 CHAIRMAN PALLADINO: Does that include any
16 manufacturing licenses or is that a separate item?

17 MR. DENTON: The projection includes the
18 manufacturing license. It would be called the CP. I have a
19 sheet that has all that listed.

20 (The sheet is handed to Secretary Chilk to be
21 duplicated and distributed.)

22 CHAIRMAN PALLADINO: I think that answers most of
23 the questions that have not already been discussed about
24 just licensing aspects.

25 COMMISSIONER BRADFORD: I have one other.

1 Harold, as to the schedule for getting the SERs
2 out, are you on course at the moment? Have you issued the
3 ones that you expected to issue as of July 23, '81?

4 MR. DENTON: We are batting a high batting average
5 but it is not perfect. There are a couple of cases like
6 Shoreham and Comanche Peak that we were not able to sustain
7 the schedule. There are a lot of outstanding issues that
8 they had and we are not on schedule on those.

9 COMMISSIONER BRADFORD: When you say a lot of
10 outstanding issues, has the problem been coming up with the
11 manpower within NRR or has the problem been that the
12 licensee's providing of information, the people working on
13 the plant haven't been able to complete it?

14 MR. DENTON: Some of both and it varies in the
15 case. On Comanche Peak we got started rather late in our
16 own review and didn't identify the issues. So I can't lay
17 all the problems on him because he didn't know what the
18 problems were.

19 On Shoreham, we have had it under review since the
20 Dark Ages and we still aren't able to close it. So there I
21 don't think it is a lack of identification. We just don't
22 make progress. Even today on Shoreham there are still 40 to
23 50 major unresolved issues between we and the applicant that
24 would keep us from writing the final document. So I am
25 slipping those SER dates month to month. The companies are

1 very aware of the problems. We are battling about 800. Many
2 of the dates we are making.

3 There are a few issues like equipment
4 qualifications that are really contributing to our inability
5 to close.

6 COMMISSIONER BRADFORD: When you project that a
7 particular OL is going to be contested a couple of years
8 out, how do you do that?

9 MR. DENTON: We ask Howard?

10 (Laughter.)

11 MR. DENTON: It gets noticed very early and there
12 may have been expressions of interest, or if the CP was
13 contested and there were ongoing issues, you would expect
14 the OL to be contested.

15 COMMISSIONER BRADFORD: Right. What has been the
16 experience on those. That is, do you find when you project
17 that a particular application will be contested, that it
18 almost always is or do you get some pleasant surprises or
19 unpleasant surprises?

20 MR. DENTON: I think our project is pretty good as
21 to whether or not there are potential intervenors in a given
22 case. Now, whether they settle or how difficult the case
23 becomes, we probably don't do as well projecting.

24 COMMISSIONER BRADFORD: There are some cases in
25 which they have to file a notice intent to intervene.

1 MR. DENTON: We have cases which we have not
2 docketed in which there is very active correspondence about
3 all the time.

4 MR. EISENHUT: We really don't have any pleasant
5 surprises.

6 MR. DENTON: My concern about the '82 budget goes
7 to one of your concerns that the things that we commit to do
8 that we really have the resources to do. I was concerned
9 about a budget in which we do a little bit of everything, do
10 a little bit of generic issues, a little bit of case work
11 but none of it on schedules that would be satisfactory.

12 So we try to compartmentalize the budget and say
13 here are the ones we can do and here are the ones that we
14 just can't do. We did rank up those priorities and it left
15 some pretty valuable things which moved out to the next
16 year. Even changing the dates back and forth seemed not to
17 free up enough resources for a major realignment.

18 COMMISSIONER AHEARNE: Harold, this table of case
19 work end products, the scheduled completions, to make sure I
20 understand. Under FY-82 where you have 13, that is more
21 than the scheduled completion in the licensing review. That
22 is the actual scheduled Commission decision?

23 MR. FUNCHES: That is the decision date, yes, 13
24 decision dates.

25 COMMISSIONER AHEARNE: So that the character of

1 the eight and the five are probably different because the
2 five with no hearing you must be assuming the Commission
3 date much sooner after the completion of the SER. So that
4 that block of five would have to have at least some of your
5 work being done in FY-82.

6 MR. DENTON: Yes, that is right.

7 COMMISSIONER AHEARNE: The CP's, they all are here.

8 MR. DENTON: Yes.

9 COMMISSIONER BRADFORD: It seems to me we have
10 already done six OL's in FY-81 where we are only given
11 credit for five.

12 MR. DENTON: We will be back with the five and a
13 half.

14 (Laughter.)

15 COMMISSIONER BRADFORD: Assuming we complete
16 Sequoyah in FY-81 I think that number would be six.

17 CHAIRMAN PALLADINO: John, do you want to pick up
18 with your questions.

19 COMMISSIONER AHEARNE: Harold, could you provide
20 me crosswalk of people and dollars between your decision
21 units, operating reactors and so forth and your NRR division
22 such as safety and technology? I was trying to get a better
23 feeling for what was happening in each of your divisions and
24 it was difficult.

25 MR. DENTON: We will get that for you, yes. It is

1 based on the office budget and then we distribute it back
2 through all the offices.

3 COMMISSIONER AHEARNE: What in-house effort are
4 you assuming for contract management in '82 and then in
5 '83? As you know, there is a report that is very critical
6 of the NRR contract management and I would like to
7 understand what improvements you are forecasting to try to
8 get a hold on that because there is this continual growth in
9 technical assistance dollars in a variety of your areas.

10 MR. DENTON: We would prefer to use people because
11 we think we could manage them more directly. We had a big
12 influx of dollars from the TMI period late in the fiscal
13 year and we had difficulty in managing, controlling and
14 spending that. Then in the recovery plan the solution was
15 largely dollars again that came in late in the fiscal year.

16 Because of that I put together a task force with a
17 senior person on it to look at our whole ability to plan,
18 direct, manage and coordinate the dollars. They have come
19 up with a number of suggestions, including the delegation of
20 a signature authority to the divisions provided they have
21 staffed their office for contract management people and
22 people to follow it to be sure that we are really going to
23 get the product out.

24 So mainly it is just focusing management attention
25 that the dollars we are spending have to produce the

1 products on the same time schedule as the people we are
2 allocated.

3 I think it was a problem that OIA identified.
4 That particular problem is behind us and that is working
5 very well today. It is just taking more of our people and
6 turning them into people to follow the contracts. Even
7 though we get leverage, it is a learning curve that teaches
8 some of our people to do it.

9 The other thing we are trying to do is to get
10 bigger contracts so that we don't go out with a lot of
11 little ones, but to lump the money together and make sure
12 that one person in each branch is delegated to the job of
13 making sure that whatever contractor work is being done,
14 that the work is done properly and delivered on time.

15 COMMISSIONER AHEARNE: It is not only to deliver
16 it on time but it is reviewing the product that gets
17 delivered.

18 MR. DENTON: Yes, that is right.

19 COMMISSIONER AHEARNE: That can be the most
20 serious difficulty that products come in and don't get
21 looked at.

22 MR. DENTON: The problem I think was more that
23 some of the technical branchers were so hard strapped to do
24 everything they did that they didn't coordinate well enough
25 with the consultants that we hired. The work was shipped

1 out and they didn't spend all the back and forth time to be
2 sure that the consultant knew exactly what we wanted. It
3 takes a lot of start-up costs to get the consultants to
4 really understand the standard review plan and exactly what
5 the products are and what we are looking for.

6 Occasionally we got products in from the labs, but
7 once the technical reviewer looked at it he said this is not
8 what I wanted. You were off in the wrong field. I wanted
9 you to go this way. I think spending money causes a
10 momentary drop in productivity and eventually then it
11 recovers.

12 COMMISSIONER AHEARNE: One of the concerns I had
13 was are you recognizing by the shifting of people that if you
14 increase your technical assistance funds you have got to
15 increase the number of people you have watching the
16 technical assistance funds.

17 MR. DENTON: Yes. I think we are recognizing it.
18 We have gone from about 25 percent of our total NRR effort
19 that was being done by outside people to almost 50 percent.
20 That means then that our technical branchers are shifting
21 their jobs from being an all internal technical review to
22 being more and more people who follow, direct and manage the
23 contract.

24 COMMISSIONER AHEARNE: Is there a recognition then
25 that the workload that those individual NRR people have has

1 to lighten in the sense that they can't do the same amount
2 of their own review work and also monitor those contracts.

3 MR. DENTON: There is that recognition but we have
4 not been given additional people to manage the money. In
5 other words, normally when we have asked for more people we
6 have been given money.

7 COMMISSIONER AHEARNE: That gets to my question.
8 As you are getting more money are you allocating more people
9 within RR to that contract manager?

10 MR. DENTON: Yes, we are, but we are not getting
11 more people. You know, we are a flat total in '82. So even
12 though our amount of money is going up in '82 it is the same
13 amount of people we have got in '81. We are assigning more
14 people to that job.

15 COMMISSIONER AHEARNE: But you are assigning more
16 people to do the job.

17 MR. DENTON: Yes. I think it is a key within
18 Steve's area. You know, because of the problem in
19 recruiting people for human factors we continue to give
20 Steve more money to spend and that means that the few people
21 he has got spend more time on the telephone with the
22 contractor.

23 COMMISSIONER AHEARNE: They certainly ought to.

24 MR. DENTON: They are. He would have liked to
25 have had someone to do the thing and someone to manage the

1. contract also.

2 CHAIRMAN PALLADINO: One of the concerns I would
3 have on contract management is to make sure that you are
4 getting what you want. That means manpower early to
5 identify the tasks so that when the task gets completed you
6 find that you have gotten what you really wanted. Is that
7 an item that is being given additional attention?

8 MR. DENTON: Very much so. I think our biggest
9 success was in the environmental area, but we didn't reach
10 that until several years of trying. Then we suddenly, after
11 TMI threw a lot of money into some short-handed technical
12 branches, told them to go supplement it and they have had a
13 problem coming up to speed.

14 What we do today when we are hiring Idaho, for
15 example, we make sure that the branch chief gets involved
16 with the Idaho senior man. We look at the curriculum vita
17 of the people they are going to assign to the project and we
18 spend enough time with the Idaho people to make sure they
19 understand the standard review plan. We give them examples
20 of things we have written and we have them attend meetings.
21 That is what I meant by start-up cost. It really takes a
22 lot of effort that turns an outside group into a technical
23 review organization. So while they are doing all this they
24 are not working my favorite project back home. Ultimately
25 once we get a big group of people started it is going to pay

1 back.

2 CHAIRMAN PALLADINO: Do you feel that the results
3 that you're getting now that a high percentage of them are
4 directly applicable to what your workload requires?

5 MR. DENTON: Yes, sir. We are attaching more and
6 more of them after our review right to the SER. So you can
7 find an appendix, for example, from Livermore that covers a
8 given area.

9 It has been a growth industry for some branches.
10 Not a growth industry but a learning experience. They just
11 weren't used to farming out that kind of effort.

12 COMMISSIONER AHEARNE: Yesterday Bob Minogue made
13 the point that in the use of probabilistic risk assessment
14 that at least from their point of view in Research that it
15 was at the present stage much more appropriate to be used in
16 specific licensing actions than in sort of the general
17 description of overall safety problems.

18 In putting your '83 budget together what kinds of
19 assumptions have you made on how you are going to
20 incorporate risk assessment techniques into your major
21 program areas? Do you assume any significant impact? In
22 other words, have you allocated "X" people that would be
23 knowledgeable in those areas and tried to fold that into
24 your licensing?

25 MR. DENTON: At the moment we have tried to

1 consolidate in one branch under Thadani all of our risk
2 assessment actions to be sure that the quality of those risk
3 assessments are high and the staffing in his branch does
4 reflect those areas in which we are going to be using risk
5 assessment. It is ten staff years in '82 and 11 in '83 and
6 about a million dollars.

7 We have found it very useful in things like
8 station blackout and the reliability of individual systems.
9 One of the initiatives we have undertaken was to take all
10 the generic issues, 137 of the "A" through "D's" and try to
11 rank them using risk assessment techniques.

12 COMMISSIONER AHEARNE: But I gather that by the
13 resource numbers that you just mentioned that you don't
14 really see any significant growth in that in '83 because the
15 numbers were about the same as '82?

16 MR. DENTON: There has been no major change.

17 COMMISSIONER AHEARNE: What does NRR have
18 allocated in the interim program?

19 MR. DENTON: I think it is about five or six
20 man-years.

21 COMMISSIONER AHEARNE: That is not in Thadani's?

22 MR. DENTON: That is spread out, that is right.

23 COMMISSIONER AHEARNE: In your CR/BR setaside what
24 kind of assumptions are you making on licensing review? For
25 example, do you assume there will be legislation to eliminate

1 the requirement for the NEPA site review or eliminate the
2 need for a safety review of the site?

3 MR. DENTON: It assumes no NEPA review.

4 COMMISSIONER AHEARNE: That requires legislation.

5 MR. DENTON: That is right.

6 COMMISSIONER BRADFORD: Do you have a number for
7 what the estimate would be if we did in fact have to do a
8 NEPA review?

9 MR. FUNCHESE: I don't have it here.

10 COMMISSIONER AHEARNE: Do you assume you will have
11 to do a safety review?

12 MR. DENTON: Yes.

13 COMMISSIONER AHEARNE: Any site review at all?

14 MR. DENTON: What I am assuming is we would have
15 to pick up the application as it lay before us and update
16 anything we have published like SERs. Where previously we
17 had already reviewed the Clinch River site we would just
18 update it to see what new information had come out and
19 whether it was still valid.

20 My present plan would be to re-examine those areas
21 where we had completed the review and if no changes had
22 occurred we would continue to rely on the old review. If
23 the plant design had changed in that area we would have to
24 start over.

25 COMMISSIONER AHEARNE: Are you assuming that a

1 contested hearing would be held?

2 MR. DENTON: Yes, sir.

3 COMMISSIONER AHEARNE: Are you assuming there will
4 be a new application sent in?

5 MR. DENTON: No. We are assuming it would be
6 supplemented.

7 COMMISSIONER AHEARNE: What is your assumption for
8 when the construction permit hearing would be completed?

9 MR. DENTON: Three years from the date they send
10 in the new start signal.

11 CHAIRMAN PALLADINO: Three years from what?

12 MR. DENTON: Three years from the date DOE
13 requests that we restart.

14 CHAIRMAN PALLADINO: Until what?

15 MR. DENTON: Until a decision.

16 COMMISSIONER AHEARNE: On the CP.

17 MR. DENTON: We are assuming we take about 15
18 months of that to update the safety review, publish our SER
19 and the rest of the time would be the hearing. It is the
20 sort of program that has an immediate direct impact because
21 it takes senior reviewers to pick up a high priority case
22 like this. I have disbanded all of the old groups that used
23 to do it.

24 Bill mentioned yesterday, you know, that money was
25 one possibility. There just comes a point at which I think

1 NRR can't continue just to take more money. You can't spend
2 more and more and more and still do everything we are
3 supposed to do and more besides.

4 COMMISSIONER AHEARNE: The setaside, as I
5 understand it, will be modified as a result of the lawsuits
6 and the task force, or may be modified, that is the exact
7 number. You had indicated 27 people in '82.

8 MR. DENTON: Yes.

9 COMMISSIONER AHEARNE: Where would you find 27
10 senior reviewers?

11 MR. DENTON: Let's assume it was a new light water
12 power plant or a CP that suddenly had priority over
13 everything else. That would need a certain number of
14 reviewers. You know, if any plant just walked in today and
15 said I have got priority over everything you do, even for a
16 light water plant we would have to go back and assign the
17 mechanical engineers, the structural and so forth. Many of
18 these 27 are in the technical branches.

19 COMMISSIONER AHEARNE: Are you saying that your
20 contingency plan for finding those people is to just pull
21 them out, a few here, a few there and a few there?

22 MR. DENTON: I think I will end up proposing
23 something like we are doing on TMI. It would be a program
24 office and we would put in that office a branch, or whatever
25 we call it, an organizational unit, those unique skills for

1 breeders. Then that would be a small nucleus of the 27.
2 Then we would rely on the existing organization for human
3 factors and engineering.

4 COMMISSIONER AHEARNE: It sounds like that could
5 of necessity have a significant impact on the licensing
6 reviews on the other plants underway.

7 MR. DENTON: It certainly would.

8 MR. DIRCKS: It cuts across though from Harold's
9 office. There are components of the Clinch River plant
10 sitting in warehouses that the inspection people have not
11 even gotten around to look for the warehouse yet. So it
12 would take a substantial number of resources out of Vic
13 Stello's pocket.

14 COMMISSIONER AHEARNE: In the setaside that you
15 have indicated, Bill, of 27, I thought that was focused on
16 NRR.

17 MR. DIRCKS: It was focused on NRR. It is more.
18 It has increased.

19 COMMISSIONER AHEARNE: Do you have a rough idea of
20 how much?

21 MR. DIRCKS: Vic, today I don't think he even
22 comes near a rough idea.

23 MR. DENTON: The 27 is the estimate if NRR were to
24 be told this is your top priority and produce all your
25 documents by the end of next year. That is about what we

1 would have to do. Some of it would come out of existing
2 branches which would upset those reviews.

3 COMMISSIONER AHEARNE: Do you have a rough
4 contingency plan already of where you would find those
5 people?

6 MR. DENTON: Yes, we do have a rough contingency
7 plan, but we have made no motion toward moving anyone.

8 COMMISSIONER AHEARNE: In the contingency plan are
9 there any major efforts that would have to be cancelled to
10 deferred?

11 MR. DENTON: Well, that option does come up, for
12 example, SEP, Phrase 3 could be deferred and free up
13 resources.

14 COMMISSIONER AHEARNE: At least initially is that
15 the major function slippage that you could see?

16 MR. DENTON: Since I have already slipped four or
17 five other major areas, that is about the only thing left
18 before we get back to operating plants.

19 COMMISSIONER BRADFORD: I was going to say one
20 other one that comes to mind. Wouldn't most of your former
21 Clinch River people, first of all, be primary targets for
22 returning to that and aren't most of them in case work now?

23 MR. DENTON: Yes.

24 COMMISSIONER BRADFORD: So that if Clinch River
25 were given the highest priority, a pretty substantial number

1 of the people would have to come out of the case work
2 decision unit which could only mean to come off of the
3 operating license reviews.

4 MR. DENTON: The only alternative not to cut into
5 the case work that I saw would be something like the SEP's
6 who is the only group who had enough people.

7 COMMISSIONER BRADFORD: But they aren't by and
8 large experienced with Clinch River or with license review.

9 MR. DENTON: They have to be shifted around in the
10 case work.

11 COMMISSIONER BRADFORD: I see what you are saying.

12 MR. DENTON: I mentioned that the Pallisades
13 integrated study ought to be done late this fall. We really
14 won't have a feel for whether I should advocate Phase 3
15 deferral or not. At the moment I don't advocate deferring
16 it.

17 COMMISSIONER AHEARNE: In the EDO setaside list
18 there was a statement that in FY-84 three people and
19 \$200,000 were for NRR requested resources to perform early
20 site safety and environmental reviews of an application of a
21 high temperature gas cooled reactor expected to be submitted
22 in FY-84.

23 On what was the expectation based.

24 MR. DENTON: Let me ask Jessie.

25 MR. FUNCHES: It was included in a caseload

1 forecast. Since our budget guide was to allocate the
2 forecast we included it above guidance.

3 COMMISSIONER AHEARNE: So you pass it back to MPA
4 and say they are they ones who inspected it?

5 MR. FUNCHES: Right.

6 (Laughter.)

7 COMMISSIONER AHEARNE: Okay, Bill, I guess I have
8 to ask why does the EDO's office inspect that?

9 MR. DIRCKS: We don't.

10 (Laughter.)

11 MR. FUNCHES: Apparently General Atomic had
12 indicated that there would ^{be possibly requested to notify --}
~~(Inaudible.)~~

13 COMMISSIONER AHEARNE: They would love to see it.
14 Now, if we can say we budgeted for it because we inspected
15 it ---

16 MR. DIRCKS: They have to have an order because we
17 inspected it.

18 MR. DENTON: Another good example is at standard
19 plants, that if we don't budget for it they think we are
20 discouraging standards plants. So in our budgeting here we
21 are assuming that we are issuing NCRs on two standards
22 plants, for example. We are budgeting to do GESAR and CESAR
23 as well as some applications.

24 COMMISSIONER AHEARNE: On unresolved generic
25 issues you mentioned the other day that an item had been

1 zeroed in FY-82. The generic issues, not the unresolved
2 safety issues, the non-USI generic issues.

3 CHAIRMAN PALLADINO: Can I get a little bit of
4 education. Are the unresolved safety issues a subset of
5 generic issues or do they relate to each other?

6 MR. DENTON: They used to be a subset of generic
7 issues. I would prefer now that unresolved safety issues
8 have their own budget box. They are the official ones that
9 we send to Congress as USIs. I use the term now "generic
10 issues" to be everything else that is in our wish list.

11 CHAIRMAN PALLADINO: Is not an unresolved safety
12 issue usually also a generic issue?

13 MR. DENTON: It is also a generic issue, yes.

14 COMMISSIONER AHEARNE: As I think Harold pointed
15 out, there was this large list of generic issues for a
16 variety of reasons. A subset of those are identified here
17 as the highest priority ones. These are the unresolved
18 safety issues.

19 CHAIRMAN PALLADINO: So every time a generic issue
20 comes up you have to decide whether it is an unresolved
21 safety issue or something else?

22 MR. DENTON: That is right.

23 COMMISSIONER AHEARNE: Exactly.

24 MR. DENTON: If it is not unresolved then we have
25 to put it in some priority category of when we are going to

1 work on it. Some of those are the old "A" through "P"
2 issues that used to be on the ACRS list. We have gotten an
3 agreement with the ACRS now that our list of generic issues
4 contain in a rough priority all of the ACRS issues. So we
5 no longer carry between us two separate lists.

6 CHAIRMAN PALLADINO: How many unresolved safety
7 issues do you have now and how many generic issues?

8 MR. DENTON: Roughly 25 and we are resolving some
9 every few months.

10 CHAIRMAN PALLADINO: There are 25 unresolved
11 safety issues?

12 MR. FUNCHESS: At the beginning of FY-82 it will be
13 14.

14 COMMISSIONER AHEARNE: At the beginning of FY-92
15 there will be 14?

16 MR. FUNCHESS: Right.

17 COMMISSIONER BRADFORD: How many were added last
18 year?

19 MR. DENTON: I think four were added.

20 COMMISSIONER BRADFORD: How many do you project
21 adding?

22 MR. DENTON: Four. We projected four more we
23 would add and then we would resolve them on the current
24 schedules. The existing ones would be resolved on the
25 current schedules.

1 COMMISSIONER AHEARNE: One of the real differences
2 with the ones that get to the unresolved safety issue
3 category is there is then a very definite schedule for being
4 worked on. There is identified someone who is responsible
5 for its completion. It gets into a tracking system which is
6 an attempt to ensure that the resources stay with it to
7 resolution.

8 MR. DENTON: It turns more or less into a case
9 then. In other words, we give it a project manager who is
10 supposed to work as much time as is required, if that is
11 full time, and get the accomplishments done. One is ATWS,
12 for example.

13 (Laughter.)

14 CHAIRMAN PALLADINO: When you say there are 25 now
15 and you are going to have 14 at the end of ---

16 COMMISSIONER AHEARNE: Twenty-five I think is a
17 bad number.

18 MR. DENTON: When we checked off the program and
19 first identified USIs there were maybe 25. Then we started
20 resolving them and so at any given time there are ones which
21 have been resolved.

22 COMMISSIONER AHEARNE: It is more like 17 at the
23 moment.

24 CHAIRMAN PALLADINO: You are going to do what,
25 about three or four a year?

1 MR. DENTON: No, it is more like six or seven a
2 year. I think we are working that list down.

3 CHAIRMAN PALLADINO: With four coming down you net
4 two.

5 MR. DENTON: That is right.

6 COMMISSIONER BRADFORD: There is one other
7 semantic wrinkle that I need to understand whether it has
8 manpower implications. When you resolve an unresolved issue
9 that means simply that the technical solution has been
10 devised. It doesn't mean that it has been implemented in
11 the plants.

12 MR. DENTON: That is right.

13 COMMISSIONER BRADFORD: Is there a further
14 resource implication to the process of getting it
15 implemented in the plant?

16 MR. DENTON: Yes. Resources are in the budget to
17 handle those in the operating amendments. Once it is
18 resolved then by an order or a rule or whatever resolves it,
19 then all 70 plants have to do it or whichever ones it is
20 applicable to. We have budgeted those resources.

21 CHAIRMAN PALLADINO: Do you have a timetable for
22 implementation as well as for resolution?

23 MR. DENTON: Once we have defined the technical
24 solution, at that point we work up a timetable for
25 implementation.

1 COMMISSIONER BRADFORD: Do you do the budgeting
2 for unresolved safety issues on an issue-by-issue basis or
3 do you sort of assume the standard unresolved safety issue?

4 MR. FUNCHES: Issue by issue basis.

5 COMMISSIONER AHEARNE: Put for the future you have
6 to do it on the generic because you have to make the
7 assumption that you are getting in four new ones but you
8 don't know what they are.

9 MR. FUNCHES: That is right. We assume two new
10 ones per year and we make a projection on those two new ones.

11 CHAIRMAN PALLADINO: Two new what?

12 MR. FUNCHES: The ones that are in the pipeline
13 now we do it issue by issue.

14 MR. DENTON: New USIs that will crop up that we
15 will want to add to the USI list.

16 CHAIRMAN PALLADINO: I thought you had assumed
17 four.

18 MR. DENTON: I had said four and Jessie says two.
19 He knows more than I do about this.

20 MR. DIRCKS: I might add that we talked about
21 tracking issues yesterday and we do have a quarterly report
22 that comes out on an unresolved safety issues summary. It
23 is NUREG 0606 that was issued in May '81. We also have a
24 generic issues tracking system that is under development.
25 So we will be tracking all the generic issues. Right now we

1 are tracking all the unresolved safety issues.

2 COMMISSIONER BRADFORD: Tracking a number of those
3 is going to take a lot of effort.

4 COMMISSIONER AHEARNE: Roughly how many generic
5 issues do you have?

6 MR. DENTON: Generic issues are the ones that
7 don't rise to the USI status. That is one that is more like
8 120. I have a computer printout of all those issues that
9 describes what they are. Many have been around for a
10 decade, like seismic scram. We are trying to decide if it
11 is a worthwhile issue or not. We haven't found a way to
12 drop them. I will have coming to the Commission next month
13 a proposal to prioritize these that we think will show which
14 ones are really worthwhile for us to pursue and which ones
15 aren't.

16 So I am not particularly bothered by the deferral
17 of work on these because I think if we assign resources to
18 all of them, if we have such resources, we would be getting
19 our money's worth. I think we need to go through this
20 prioritization. So the fact that we are deferring work on
21 this list I think is a proper look.

22 So if you agree with the prioritization scheme
23 when you see it, then we will work away to try to figure out
24 which ones of these are really worth spending our time on.

25 CHAIRMAN PALLADINO: Are you going to propose that

1 some of them that are of very low priority that we might as
2 well take them off the list?

3 MR. DENTON: We would never get to them because
4 they are orders of magnitude less important from the safety
5 standpoint than some of the others that we are having
6 difficulty getting to.

7 CHAIRMAN PALLADINO: Go ahead, John.

8 COMMISSIONER AHEARNE: In this area of the generic
9 issues and not the USIs you had mentioned that there is zero
10 effort in 1982?

11 MR. DENTON: Yes.

12 COMMISSIONER AHEARNE: How much in '83?

13 MR. DENTON: Well, rather than quote a number off
14 the top of my head I will look for the exact one this time.

15 COMMISSIONER AHEARNE: Let's say after you have
16 gone through this prioritization and let's say we agree and
17 a certain number drop off, why can't some of those generic
18 issues just be transferred to the Office of Research?

19 MR. DENTON: It depends on their nature. Some
20 USIs, for example, are presently transferred to Research if
21 they are such that they need a lot of research. If the real
22 effort is to take the existing information and develop a way
23 to change the standard review plan or integrate it into the
24 process, we are able to do that better.

25 Research is doing a couple of USIs now where we

1 need fundamental new scientific information. Bob and I do
2 try to look at each one that needs work to decide what stage
3 it is in. He doesn't like to take them if it is really
4 taking developed research and just figuring out to modify

5 COMMISSIONER AHEARNE: A regulation?

6 MR. DENTON: Well, no, a review. He probably goes
7 back to the Technical Branch. Like fire protection, to take
8 an area where the people who are doing the reviews are
9 better able to fit it into the scheme than he would be in a
10 research program.

11 MR. FUNCHES: The answer to the question is 32
12 professional staff years.

13 COMMISSIONER AHEARNE: Thirty two staff years in
14 '83.

15 MR. FUNCHES: Professional staff years.

16 COMMISSIONER AHEARNE: That is very large.

17 MR. DENTON: That should permit a lot of progress
18 on the ones in here which we really think are important.

19 MR. FUNCHES: That includes both -- (Inaudible).

20 CHAIRMAN PALLADINO: Which items? Say that again?

21 MR. FUNCHES: The TMI action plan items and the
22 solution which is in the developmental stage.

23 MR. DENTON: This is the priority one.

24 MR. FUNCHES: Priority 2's and 3's.

25 COMMISSIONER AHEARNE: In other words, it is a

1 combination. You also deferred the action plan two and
2 three items.

3 MR. FUNCHEG: Right. There is a combination of A
4 through D's and the 2's and 3's.

5 COMMISSIONER AHEARNE: I guess there is some
6 remnant question that if an effort is worth 32 professional
7 staff years in '83 is it really sufficiently insignificant
8 to get zero professional staff years in '82?

9 MR. DENTON: I don't think so. I have recommended
10 to Bill that we put something in '82 to work on some of
11 those 2's and 3's, about 13 man-years worth. Not all of
12 them warrant this, but we have tried to pick out the ones
13 which really seem to rise to the top and which shouldn't be
14 deferred.

15 COMMISSIONER AHEARNE: I was going to ask about
16 that. I have the list that I guess was provided to all of
17 us by Hugh Thompson through Kevin. The 2 and 3 tasks that
18 are being deferred, there are a very large number of those
19 in which NRR is the lead office. So I gather by deferral it
20 really essentially almost means nothing is going to be done
21 for the year.

22 You say that there are some of those that you felt
23 ought to be covered.

24 MR. DENTON: Yes.

25 COMMISSIONER AHEARNE: Could you identify which

1 ones?

2 MR. DENTON: Would you like me to read them out?
3 We furnished this table and you may have it in your package
4 perhaps.

5 COMMISSIONER AHEARNE: What we have is just the
6 total number of 2's and 3's that were deferred.

7 MR. DENTON: Rather than try to give you a line
8 item, about half of them I didn't defer fall within the
9 human factors area because I think that is an area that we
10 are behind in.

11 COMMISSIONER AHEARNE: That was my feeling also.

12 MR. DENTON: I would not defer certain ones of
13 those.

14 COMMISSIONER AHEARNE: Would it be possible to get
15 a list of those which you felt really shouldn't be deferred?

16 (Mr. Dircks hands a document to Commissioner
17 Ahearne.)

18 MR. DENTON: Then the other half are ones which
19 for one reason or another we think rise to that level that
20 we really need to move on.

21 COMMISSIONER AHEARNE: So this page that has
22 additional safety methodology resources required, this is
23 the list of the items that you would ---

24 MR. DENTON: That is the subset of the priority
25 2's and 3's that I would not like to defer in '82 but that I

1 could not work within my budget.

2 COMMISSIONER AHEARNE: All right.

3 A similar question I think on the generic issues.
4 The licensing action backlog. Some of those items have been
5 listed for a very long time. The target dates go back many
6 years. Why shouldn't I conclude that many of them are
7 inconsequential?

8 MR. DENTON: Some of them are.

9 COMMISSIONER AHEARNE: All right. Then why can't
10 we eliminate them from the list of pending open items?

11 MR. DENTON: After you have looked at the way we
12 ranked the generic issues and if that scheme has any appeal,
13 we could try that on some of them amendments.

14 COMMISSIONER AHEARNE: These aren't just
15 amendments. They are open items.

16 MR. DENTON: That is correct. If we succeed in
17 developing a methodology to screen generic issues, I think
18 that same methodology could be applied to the operating
19 actions. Many of these operating actions are last year's
20 favorite projects.

21 COMMISSIONER AHEARNE: Many years ago.

22 (Laughter.)

23 MR. DENTON: Or many years ago, right.

24 That is an increasing exposure that we have where
25 we ask the licensee to send in a study to show whether or

1 not he should do something and then we don't have the
2 resources to review the study to see if we should require it
3 be done. We are increasingly not able to handle the backlog
4 that is there on the books. We have finally gotten our
5 hands around it by publishing this book and we have
6 attempted to rate them by crude priorities.

7 COMMISSIONER AHEARNE: I would almost say that
8 what we have done is we have lifted the lid of the box by
9 publishing the list.

10 MR. DENTON: We have identified them I guess and
11 we have prioritized them. The prioritization is proposed by
12 Darrel and it is being looked at by the other divisions to
13 see if we all concur that that is right right
14 prioritization. If it is, we will only have resources in '82
15 to work on the priority one type items and the 2's and 3's
16 will not get much attention.

17 COMMISSIONER AHEARNE: As we all know, there is
18 just such a huge number of those. To be carrying items that
19 had competition dates in the '70s either means that we aren't
20 doing something that we really should be doing or we are
21 carrying items that need not be carried.

22 MR. EISENHUT: You are certainly right, and that
23 is what we tried to focus on. Every one of these items we
24 have already requested information from the utilities and we
25 already have responses from the utilities.

1 MR. DENTON: These are not going to be as easily
2 eliminated as some of the generic issues because they at
3 least rose to the level in someone's mind to warrant
4 requesting information from an applicant. So they have
5 passed some threshold in the past.

6 COMMISSIONER 'HEARNE: There is just something
7 basically wrong about piling up paper.

8 MR. DENTON: Well, we shouldn't be carry them. We
9 should have resources that get that list down. This is an
10 area that even in this budget we are letting slip two more
11 years.

12 CHAIRMAN PALLADINO: May I ask some clarification
13 questions on that.

14 What do we have in non-TMI licensing actions,
15 about 2,400? Did I determine that correctly from your book?

16 MR. EISENHUT: Is it right in the front. There is
17 a summary table.

18 MR. DENTON: It is easier I think to look at it.

19 CHAIRMAN PALLADINO: No, I don't want to go that
20 detailed.

21 (Laughter.)

22 CHAIRMAN PALLADINO: You had some numbers in there
23 early in that book. That is where I got my 2,400.

24 MR. EISENHUT: There is a summary table where we
25 tracked it month by month.

1 CHAIRMAN PALLADINO: It is a chart. There is a
2 graph actually.

3 What I am trying to get at is how many of them are
4 over five years old?

5 MR. EISENHUT: Five years, it is hard to say. A
6 lot of them that we have been completing recently are doing
7 just what the Commissioner mentioned. We are looking at
8 some of these issues and looking at some of the responses
9 and just deciding not to do it. For five years, there is
10 not that many I don't think.

11 MR. DENTON: They break out in sort of three
12 categories since they are not all the same kinds of issues.
13 Some of them are plant specific. They apply only to that
14 plant. They wanted to make a change or we wanted them to
15 make a change and its resolution would affect only that
16 plant.

17 Then there are the great bulk of the TMI related
18 items which we have applied to everybody and we have
19 requested studies for, say, anticipatory scram and turbine
20 trip. We have required that study be done by every PWR to
21 determine whether or not we ought to order or place
22 anticipatory trips on PWRs. They have all sent in this
23 material so they met their commitment. It is we who can't
24 complete the review of the material they put in to decide
25 whether or not we want to eventually order it or not.

1 Then there are some issues that are not TMI
2 related but would affect everyone. In other words, masonry
3 walls, for example, where we were concerned about masonry
4 construction. Some parts of it were dealt with in I&E
5 bulletins and another part might then go out to everybody to
6 ask for follow-up information on masonry walls. So it would
7 be a generic issue but of somewhat lower priority.

8 We keep trying to reduce the ones that are really
9 important. I think over the last five years or so we have
10 tended to give this area low priority and those issues don't
11 get worked on. The licensees are happy that we don't work
12 on them because they have already done their job. They have
13 sent in the study, or they have sent in a design and the
14 fact that it lays dormant here doesn't bother them. So it
15 is not like the case work where they want a decision from us
16 and no one pushes us to get that decision.

17 CHAIRMAN PALLADINO: But I gather some of them are
18 so routine and the licensee is being help up, or I presume
19 he is being held up so that some system ought to be set up
20 to have those taken care of.

21 MR. DENTON: We have a very good record in that
22 area. If something comes up where one loop is out of
23 service and he needs an amendment for a then minus one-loop
24 operation we go ahead and turn that around so that we are
25 not involved in that. So we do tend to process those. We

1 process fuel reloads and design changes that the licensee
2 wants to make. The bulk of this list are changes that we or
3 someone at NRC wanted to make.

4 CHAIRMAN PALLADINO: So the ones that are holding
5 up licensees you feel are ---

6 MR. DENTON: Yes, we deal with those pretty
7 promptly.

8 CHAIRMAN PALLADINO: Well, in the earlier
9 discussions we had talked about some of these licensing
10 actions that are routine perhaps going to the field. Are
11 those the ones that you think you are handling all right?

12 MR. DENTON: If it is plant specific, if it came
13 up in one plant and it is the right kind of issue, the field
14 could handle those kinds. However, if it is one like
15 turbine trip and different circuits you wouldn't expect the
16 residents to handle it differently or something. That is
17 just as well handled by one electrical engineer back in
18 headquarters.

19 I do think we try to farm out and are trying to do
20 that with the plant specific ones as opposed to the
21 multi-plant ones.

22 CHAIRMAN PALLADINO: So even though maybe you are
23 handling those pretty well now, if you gave them to the
24 field it would relieve some of your personnel so they could
25 handle others?

1 MR. DENTON: I don't really think it would make a
2 lot of difference. You would find that the resident has to
3 take the same amount of time. Somebody has to spent that
4 amount of time on paper to write the SER and do the mail and
5 so forth. I think that is a cost the agency has pretty much
6 independent of where it is done.

7 CHAIRMAN PALLADINO: Well, I could see some
8 savings, but I will agree that it might not be all that
9 great.

10 MR. DIRCKS: I think part of what we are trying to
11 achieve there is seeing whether the regions can pick up this
12 workload, not only to relieve this initial burden of 500
13 amendments or so that can be done but really to prove that
14 it can be done in the field.

15 I think what we are trying to do to the extent
16 possible is delegate decisionmaking down closest to the
17 level where the plant is rather than have everything come
18 back here to Washington.

19 MR. DENTON: We need to reduce the formalism in
20 these actions. If they all lead to hearings, you know, if
21 every action leads to a hearing whether it has significant
22 safety implications or not, then the whole system bogs down.

23 It is interesting to observe that between I&E and
24 NRR we are putting the equivalent of about 10 people per
25 plant on operating plants. We are putting 250 or so and

1 they are putting 450 or so. So in theory you could
2 establish a branch at every operating reactor to do the
3 amendments, to inspect and to hold hearings and their own
4 lawyer.

5 (Laughter.)

6 MR. DENTON: The agency is putting a lot of effort
7 into operating plants, but I think we are falling behind in
8 keeping the plant designed through this amendment process.
9 This budget, I just wanted to be sure you recognized, slips
10 all that two more years.

11 COMMISSIONER AHEARNE: I have nothing more of
12 NRR. I just have a few questions of Bill.

13 CHAIRMAN PALLADINO: May I complete a few on NRR?

14 COMMISSIONER AHEARNE: Of course.

15 CHAIRMAN PALLADINO: Let me stick with the
16 licensing action since that is where we are now.

17 I am not clear what assumptions you made in the
18 budget with regard to the rate of clean up of licensing
19 actions in '82, '83 and '84. Did you make any specific
20 assumptions in cleaning up the backlogs?

21 MR. DENTON: We had originally tried to budget so
22 that we could clean it up in '84. We found that the amount
23 of resources that do that just weren't there.

24 COMMISSIONER AHEARNE: By clean up you mean?

25 MR. DENTON: To reduce it to a minimum so that you

1 would only have in any year what came in in that year. So
2 we wouldn't be carrying over.

3 COMMISSIONER AHEARNE: So you would get down to
4 about a thousand?

5 MR. DENTON: Ten or 12 issues per plant sort of
6 thing that would have to be handled.

7 CHAIRMAN PALLADINO: That is a two-year slip since
8 last year?

9 MR. DENTON: What we now assume is that we will
10 work on the high priority amendments but that we won't
11 complete the clean up of the backlog until '86.

12 CHAIRMAN PALLADINO: How much more would it take
13 to clean up by '84? Do you have a feel for that?

14 MR. FUNCHES: Forty staff-years and \$4 million per
15 year in '83 and '84.

16 CHAIRMAN PALLADINO: Forty more staff years and \$4
17 million in each of those three years?

18 MR. FUNCHES: I will give you the exact numbers.

19 CHAIRMAN PALLADINO: That is close enough.

20 MR. DENTON: These are issues where we have a
21 resolution. You know, it is not as though it is a USI where
22 we don't know what we want. We have identified and we have
23 for the applicant to do something. It is just sheer lack of
24 manpower to review what has been submitted.

25 CHAIRMAN PALLADINO: What sort of staff years are

1 you spending now and support dollars to try to clean up the
2 backlog on the basis of '86?

3 MR. FUNCHESS: Per year?

4 CHAIRMAN PALLADINO: Yes, roughly.

5 MR. FUNCHESS: In FY-82 we are talking about 74
6 professional staff and \$9 million.

7 CHAIRMAN PALLADINO: I didn't hear it all.

8 MR. DENTON: Seventy-four man-years.

9 MR. FUNCHESS: And \$9.4 million in '82. That is
10 how much you have in the budget. Eighty-seven professional
11 staff years and \$9.2 million in '83. One hundred and

12 thirteen professional staff years and \$12.8 million in '84.

13 MR. DENTON: This is one of those areas where we
14 are increasingly spending in hiring outside consultants to
15 do the work for us. When we know what we want in a given
16 area like the design of snubbers, we will take all the
17 answers that come in from the separate plants and we will
18 give them to all one contractor. He will tell him what
19 criteria to use in evaluating it.

20 It is a very narrow technical specialty. He can
21 do the reviews. He sends us the questions and we send them
22 out to the licensee and get the answers and then back to
23 him. Eventually he will write for us a safety evaluation
24 report on each plant on that topic. So that is working very
25 well when we are able to find the consultant with the

1 expertise and spend the effort to be sure that he
2 understands what our acceptance criteria are.

3 CHAIRMAN PALLADINO: Can I turn now to the TMI
4 action plan items.

5 How many TMI action plan items do you have now on
6 the books? Was it 2,500, looking at that graph.

7 MR. EISENHUT: The number on the chart you see in
8 the book you are referring to is about approximately 2,500.

9 CHAIRMAN PALLADINO: About 2,500. Okay.

10 MR. EISENHUT: That basically is all of the items
11 from NUREG 737 which is the document that contains a listing
12 of all of the Commission approved items, that is items that
13 we are not implementing.

14 MR. DENTON: It is on those items that we have
15 spent a lot of our resources on operating plants to
16 implement those TMI approved items that the Commission
17 directed be done on operating plants.

18 COMMISSIONER AHEARNE: Darrel, what is counted as
19 an item in the 2,500?

20 MR. DENTON: Basically it is an action plan item
21 where there is a specific distinct entity. It is a substep
22 under that.

23 CHAIRMAN PALLADINO: If there is an item and it
24 has to go to 70 plants ---

25 MR. EISENHUT: Seventy, or some go with 20.

1 COMMISSICNER AHEARNE: Is it counted as one item?

2 MR. EISENHUT: It is actually a count.

3 COMMISSIONER AHEARNE: It is an item for 70
4 plants, items times plants?

5 MR. DENTON: Yes.

6 MR. EISENHUT: If you had ten items on all plants
7 and they apply to 70 plants you have got 700. What we
8 actually did partially in response to those evaluations you
9 referred to earlier, there is actually a scheduled matrix we
10 added in front of here for each item showing what it is,
11 when it was issued, when the incoming is and when we issue
12 our safety evaluation.

13 MR. DENTON: So for the '82 budget, for example,
14 for operating actions we assume that we are going to work
15 and make sure those TMI items are implemented. That is
16 budgeted for. We are also going to work on those highest
17 priority items that are already existing in the system or
18 will come in.

19 COMMISSIONER AHEARNE: Those are priority one TMI
20 items?

21 MR. DENTON: Yes.

22 MR. EISENHUT: Yes.

23 MR. DENTON: There is nothi g, as we said, in the
24 budget to develop the priority two and three items.

25 CHAIRMAN PALLADINO: How many of the TMI items

1 that have been tendered for implementation, how many of them
2 have actually been implemented?

3 MR. DENTON: Let me give it to you one way and
4 then we will get a number. The original 21 or so of the
5 issues were implemented by order during the fall of '79 and
6 the spring of '80. Then another batch of about a dozen were
7 implemented by June 30th of this year. So there are
8 probably 35 or 40 items times the number of plants that they
9 apply to that have been implemented so far.

10 CHAIRMAN PALLADINO: Are you saying the 21 plus
11 your 12 times whatever plants?

12 MR. DENTON: The highest priority ones on the TMI
13 list have been implemented.

14 CHAIRMAN PALLADINO: They have been implemented?

15 MR. EISENHUT: That is right.

16 MR. DENTON: Right.

17 MR. EISENHUT: It is actually a few more than
18 that. We just issued orders I believe in about the last two
19 weeks where we put into effect about 30 items per plant on
20 the average in addition to those. Remember we had 20 with
21 the short-term lessons learned draft of Three Mile Island
22 and it is probably about 50 items per plant now.

23 Now, the majority of those were asking utilities
24 for evaluations. So most of those, the last 30 anyway, were
25 paper. So those evaluations are now in-house.

1 MR. DENTON: They are the ones we are budgeted to
2 work on to review the response to see if the plant design
3 needs to be modified.

4 CHAIRMAN PALLADINO: How many more have to be
5 implemented between now and say '85 or '84?

6 MR. DENTON: We had lumped the first one into what
7 we call priority one. They were the ones that we are
8 budgeted to do. None of those priority one's should be left
9 around in '85. We ought to be working through those.

10 MR. FUNCHES: We have them on the technical
11 schedule for completion in '83. Most will be completed in
12 '83.

13 MR. DENTON: So in '83 or '84 we would certainly
14 have all the priority one action items actually in the
15 reactor into place. Then we are left those priority 2 and
16 3's where we needed to develop new issues and get
17 information from the licensees on them. They would not be
18 implemented until some later time.

19 COMMISSIONER AHEARNE: It was the 2 and 3's that
20 were deferred where they are putting on action on in '82?

21 CHAIRMAN PALLADINO: Then what are we doing in
22 '83?

23 MR. DENTON: That is restored in the '83 budget.

24 COMMISSIONER AHEARNE: That is this list that we
25 just got, the list of items that Harold had recommended.

1 CHAIRMAN PALLADINO: What has happened to these
2 items?

3 COMMISSIONER AHEARNE: These are not in the
4 budget. These would be your first priority add-ons if there
5 were resources?

6 MR. DENTON: That is correct.

7 MR. DIRCKS: Given the '82 budget. Once we
8 receive the Congressional final action on the '82 budget and
9 once we get a pretty good idea of what resources we can wind
10 up with, I think we will just have to come back to the
11 Commission and say given this resource allocation here is a
12 suggested rationing out of these resources among the various
13 offices.

14 CHAIRMAN PALLADINO: These are now not covered in
15 '83?

16 COMMISSIONER AHEARNE: '82.

17 MR. DIRCKS: '82.

18 CHAIRMAN PALLADINO: How about '83?

19 MR. DIRCKS: They are picked up in '83. I think
20 we would all agree that once we go back and once we start on
21 them, and maybe Harold wouldn't agree, but I am convinced
22 that we should really go back and take another look at them
23 and do some weighing and balancing as to whether you the
24 Commission wants to move ahead on the total picture or
25 whether you want to defer some or drop some or merge some

1 into other activities. Like generic issues, many things got
2 swept up into the program and you may want to take another
3 look at whether you want to screen some of them out.

4 CHAIRMAN PALLADINO: So these are in '83. Is
5 there anything beyond this that is in the budget either for
6 '83 or '84? What I am getting at is if we want to look back
7 from '85, what we could most expect is what you have got
8 these under control now. As far as budgeting is concerned
9 there is nothing more in '83 and '84.

10 I don't want to put words in your mouth.

11 MR. DENTON: The work that we would do on these in
12 '82 or '83, whenever the funds are available, would be to
13 develop positions where licensees may need to make changes.
14 Then they would have to be a certain period of time, a year
15 or 18 months or whatever to make the changes. But by and
16 large if you look back from '85 you should find that all the
17 recommended TMI actions were dealt with and were actually in
18 place in operating plants.

19 CHAIRMAN PALLADINO: I didn't get that from what
20 you said earlier. I got that you had your priority 1's
21 underway, you had this list of priority 2's and no work was
22 going on any others.

23 MR. DENTON: Well, I was taking '85 and the
24 window to look back. Well, if you want to have them pretty
25 well under control by '85 they ought to appear in the '83

1 and '84 budget.

2 MR. DENTON: All the priority 2's and 3's are
3 picked up in the '83 budget. I was proposing that we pick
4 up the subset in the '82 budget to get a head start.

5 CHAIRMAN PALLADINO: I misinterpreted what you
6 said.

7 COMMISSIONER AHEARNE: Pick up and get a head
8 start or restore?

9 MR. DENTON: Restore.

10 (Laughter.)

11 COMMISSIONER AHEARNE: Because they were
12 originally in there.

13 MR. DENTON: Yes.

14 CHAIRMAN PALLADINO: Let's see if I have any more
15 questions on generic and unresolved issues.

16 We talked about unresolved safety items and maybe
17 we talked also about other generic safety issues. How many
18 of these other generic safety issues will the staff be
19 working on during the next several years? Is that the one
20 where you had 120?

21 MR. DENTON: Yes. That is the one where the
22 budget has no resources in '82. That is one that I don't
23 really mind because I would prefer to prioritize those
24 before spending effort just right down the list.

25 CHAIRMAN PALLADINO: I think that covers the

1 questions directly for you, Harold. I think John has some
2 for Bill.

3 COMMISSIONER AHEARNE: It shouldn't take too
4 long. I guess for Bill and his offices.

5 Len, we have I guess 123 non-full-time permanent
6 staff-year level from OMB in '82; is that correct?

7 MR. BARRY: Yes, that is correct.

8 COMMISSIONER AHEARNE: The '83 budget is based
9 upon what number?

10 MR. BARRY: You say the '83 budget number. You
11 mean the total?

12 COMMISSIONER AHEARNE: The '83 budget, what
13 non-full-time permanent staff-year level are you assuming?

14 MR. BARRY: 123.

15 COMMISSIONER AHEARNE: The same.

16 MR. BARRY: The same.

17 COMMISSIONER AHEARNE: I guess you may have
18 summarized the office director's request for people. How
19 many additional personnel?

20 MR. BARRY: You mean other than?

21 COMMISSIONER AHEARNE: Yes.

22 MR. BARRY: I think it was 156.

23 Ed, what was the total office request for other
24 than full-time permanent for '83?

25 MR. TRINER: For '83 it was about 190.

1 MR. BARRY: 190.

2 COMMISSIONER AHEARNE: So you are going to have to
3 pare roughly 70 out.

4 MR. BARRY: Right.

5 COMMISSIONER AHEARNE: I guess you will do that on
6 the basis of the past ---

7 MR. BARRY: We are in the process of doing that
8 now. In fact, Kevin and Bill, some of us, we have a list
9 that takes it back down to 123.

10 COMMISSIONER AHEARNE: Are there any major
11 problems that you see there?

12 MR. BARRY: I don't know. Was the biggest impact,
13 Ed, in getting it back down to 123 inspection?

14 MR. TRINER: Yes.

15 MR. CORNELL: The biggest problem is that all the
16 special programs such as theater and some of these other
17 programs which utilize those will go by the wayside, for
18 instance, presidential management interns.

19 MR. BARRY: Except that we are negotiating with
20 OMB to put those outside of the 123 because the new A-11 OMB
21 directive in effect sets those aside, those type of
22 programs. It doesn't address those types of programs as a
23 part of the other than full-time equivalent.

24 We had a meeting yesterday with Carrigan and so
25 far he was pretty receptive. He has got to go out and see

1 the BRD people but maybe set aside the DAREs and the summer
2 hires and so on.

3 MR. CORNELL: We can take care of most of the
4 direct programmatic requests if we were to completely gut
5 the presidential management interns, the summer interns and
6 a number of programs which essentially are administered by
7 the Office of Administration. There are some tradeoffs
8 there because there are -- (Inaudible) -- some benefits. But
9 if we are kept at the 123 from the other number which is
10 something on the order of 200, those in my judgment, at
11 least when I first look at them, would probably be the first
12 ones to go in order to meet the programmatic needs such as
13 ~~(Inaudible)~~ *the Licensing Board and* the ACRS.

14 COMMISSIONER AHEARNE: Bill, in your budget do you
15 forecast any changes in the number of agreement states in
16 '83?

17 MR. DIRCKS: We don't. If there would be one, and
18 at the outside it would be one, it is inconsequential.

19 COMMISSIONER AHEARNE: What forecast do you make
20 for incorporating additional state programming people into
21 regional offices in '83?

22 MR. DIRCKS: I think we have the agreement that
23 the state liaison people who ---

24 COMMISSIONER AHEARNE: That is already being done.

25 MR. DIRCKS: That is taken care of.

1 COMMISSIONER AHEARNE: I meant in '83. Are you
2 assuming a further transfer of state programs into regional
3 offices?

4 MR. DIRCKS: From the headquarters level? I think
5 we have a couple of agreement state pilot projects running
6 and I am anticipating moving another region into this
7 category.

8 COMMISSIONER AHEARNE: But at the moment at least
9 no major transfers?

10 MR. DIRCKS: No major transfers.

11 COMMISSIONER AHEARNE: In EEO, how many people do
12 they have now?

13 MR. DIRCKS: They have got four?

14 MR. CORNELL: Their ceiling is four. I think they
15 may have five onboard.

16 COMMISSIONER AHEARNE: In our previous budget we
17 had proposed six?

18 MR. CORNELL: We have five onboard right now.

19 COMMISSIONER AHEARNE: We had proposed six in the
20 budget. Was that correct?

21 MR. DIRCKS: Yes.

22 MR. CORNELL: That is for '82.

23 COMMISSIONER AHEARNE: For '82?

24 MR. CORNELL: Yes.

25 COMMISSIONER AHEARNE: So are you proposing to

1 reduce them more than this?

2 MR. DIRCKS: Down to four.

3 MR. CORNELL: Which is where the ceiling currently
4 is.

5 COMMISSIONER AHEARNE: In MPA how many people were
6 moved to fund licensing recovery?

7 MR. CORNELL: There are a couple of ways of
8 looking at that. We modified their ceiling by 15 slots.
9 That 15 came out of what was before MPA and EDP which has
10 moved over to the combination of those two offices. They
11 have only reduced down by about 11. So there are 15 slot
12 losses. You can by one accounting say that all of those 15
13 slots moved over to NRR because we increased NRR by more
14 than 15, by 25. But to date they are about six over their
15 ceiling. They are at 86 right now and their ceiling is 80,
16 but that is both MPA and what used to be EDP.

17 COMMISSIONER AHEARNE: In that shift what
18 functions were either eliminated or modified?

19 MR. CORNELL: There are two principal areas. One
20 is the statistical office where the ---

21 COMMISSIONER AHEARNE: Oh, yes. As one Washington
22 columnist called it, the "watchdog."

23 MR. CORNELL: Right.

24 COMMISSIONER AHEARNE: I hadn't realized they were
25 the watchdogs of the agency. That was well hidden.

1 MR. DIRCKS: They really weren't.

2 MR. CORNELL: We supplemented that function by
3 putting more contract dollars in MPA and the number of
4 people have gone from I think it was a branch of five, four
5 professionals and a secretary, down to two professionals.

6 The other area that has been cut back is the
7 amount of work that has been done for the EDO office
8 directly due to special studies. We have taken off some of
9 that directly with the small support staff of three working
10 directly for us.

11 COMMISSIONER AHEARNE: That sounds like you
12 transferred people.

13 MR. CORNELL: We are doing with three people what
14 they were doing with ten.

15 COMMISSIONER AHEARNE: Those are the only two
16 major functions that you are carrying?

17 MR. CORNELL: Yes. Now, there is some thought of
18 reorganization going on in that office, for example,
19 combining the ADP functions that were previously in MPA.
20 They think they can get some savings out of that. So some
21 of that is not a reduction in function but an economizing by
22 taking those two organizations and putting them together.

23 COMMISSIONER AHEARNE: In Admin what was the
24 reduction in '82 in the licensing recovery plan?

25 MR. CORNELL: We reduced Admin's ceiling by 15

1 positions also.

2 MR. BARRY: I have 14; 14 or 15, yes.

3 COMMISSIONER AHEARNE: Admin's ceiling. Were
4 those actual people onboard?

5 MR. CORNELL: They have not achieved that
6 reduction yet. They are in the same position as MPA. We
7 said, look, we want you to get down to this level, and
8 because you can't essentially fire people although there are
9 people who are fungible, we will give them a period of time,
10 and they are currently over the ceiling.

11 COMMISSIONER AHEARNE: What functions were changed
12 to get to that?

13 MR. CORNELL: There were no functions changed.

14 MR. DONOGHUE: No functions were changed. We are
15 assessing now at the reduced ceiling what services we are
16 going to have to cut back on.

17 COMMISSIONER AHEARNE: What do you estimate?

18 MR. DONOGHUE: In terms of the specific services?

19 COMMISSIONER AHEARNE: Yes.

20 MR. DONOGHUE: Well, there will be a number of
21 them in possibly full coverage of telephones. I am going to
22 try and not cut back in contracts and personnel. They will
23 be taken primarily in the technical information area and in
24 the facilities and operations area.

25 COMMISSIONER AHEARNE: By technical information

1 you mean Felton's side?

2 MR. DONOGHUE: The publications of the NUREG's and
3 those things.

4 COMMISSIONER AHEARNE: So you don't yet have an
5 allocation going from the old 408 to the 392 which I guess
6 were the budget numbers that I had.

7 MR. DONOGHUE: No.

8 COMMISSIONER AHEARNE: Do you in Admin have any
9 provision for I guess it would be called a grow-our-own
10 technical program?

11 MR. DONOGHUE: No. We proposed it and it fell out
12 in the priorities.

13 COMMISSIONER AHEARNE: One of the issues over the
14 last several years Admiral Rickover has constantly
15 encouraged us to do is to recognize that as the years go by
16 the kinds of people we need to be knowledgeable regulators
17 in the regulatory staff are not going to be constantly able
18 to go out and hire people from the industry. They are going
19 to have to take guys coming out of college and you can't
20 just take them immediately out of college.

21 He had pointed out that what they do in the Navy
22 is something we ought to think of doing which is plan on
23 getting the people out of college and then have a program
24 which might take two or three years before you would be with
25 having them either be a full-fledged inspector or a

1 full-fledged reviewer. However, that is a pipeline and I
2 wondered whether we had anything like that.

3 MR. DONOGHUE: There is no money in the budget for
4 that.

5 MR. DIRCKS: We did send down within the past
6 several weeks a status report on where we are and what is
7 going on.

8 I think, Dan, you are continuing to study the
9 issue, but we did point out there are some heavy resource
10 impacts and we recommended to go slow on this.

11 COMMISSIONER AHEARNE: What was the Admin proposal?

12 MR. DONOGHUE: I think our current estimate is to
13 put this program into place. It is about \$2 million a year
14 and about 100 positions. Our proposal would be to obtain
15 them on something akin to a Schedule B in the regular
16 service. During the training period they would be at
17 Schedule B so they would move into permanent full-time
18 positions as they were absorbed after their training period.

19 COMMISSIONER AHEARNE: That is all.

20 CHAIRMAN PALLADINO: I gather that finishes the
21 questioning on the budget.

22 So we will probably set our next Commission as a
23 markup meeting and possibly that might be on the 27th but we
24 will review it again during the agenda session this
25 afternoon.

1 Bill, do you have any other items on budget that
2 we ought to review?

3 MR. DIRCKS: No. We could talk about it in the
4 markup. What we tried to do is to pose something that
5 certainly doesn't please a lot of people, but we are given
6 stringent resource limitations.

7 To end up on the note that I started off with, OMB
8 providing us the guidance at the \$537 million figure did
9 caution us that the '83 budget would be the first budget
10 that the Reagan Administration would be itself proposing to
11 the Congress and we could stand by for additional further
12 reviews and with a warning that there might be further
13 reductions in that \$537 million figure.

14 So what you are faced with is a very tight budget
15 year coming up. '82, we will have to discuss when we get
16 the '82 figures.

17 COMMISSIONER AHEARNE: The perspective we have to
18 take is what do we think are the resources that are needed
19 to carry out our mission.

20 MR. DIRCKS: Exactly.

21 COMMISSIONER AHEARNE: It is our responsibility to
22 request what resources we feel are needed to do that
23 independent of whether there is a big coffer or a small one.

24 MR. DIRCKS: But in putting the whole package
25 together you have got to recognize that if it does come

1 back, that \$537 million or less, there may be critical
2 programs that have to go, too.

3 CHAIRMAN PALLADINO: We want it so it is
4 defensible.

5 MR. DIRCKS: Yes.

6 COMMISSIONER AHEARNE: The defensibility that I am
7 probably most concerned about is defensible plus.

8 CHAIRMAN PALLADINO: If there is nothing further
9 then we will stand adjourned for the day.

10 (Whereupon, at 12:35 p.m. the meeting adjourned.)

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COMMISSION MEETING

in the matter of: BUDGET SESSION

Date of Proceeding: July 23, 1981

Docket Number: _____

Place of Proceeding: Washington, D. C.

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1. Transcript of: Budget Session, July 23, 1981. (1 copy)


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