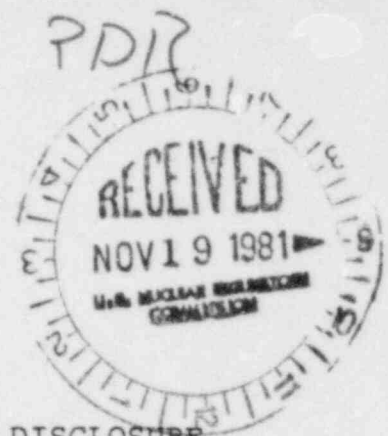




OFFICE OF THE
SECRETARY

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

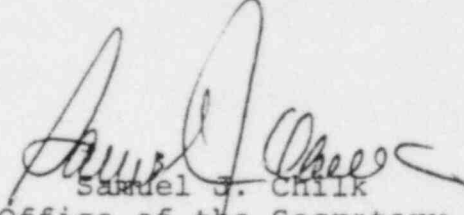
November 18, 1981



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

Budget Session - Markup/Reclama, p.m. Session
July 30, 1980

Pursuant to 10 CFR 9.108(c), the Commission, upon the advice of the General Counsel has determined that the subject transcript should be released to the public in its entirety.


Samuel J. Chilk
Office of the Secretary

NUCLEAR REGULATORY COMMISSION

ORIGINAL

CLOSED MEETING

In the Matter of:

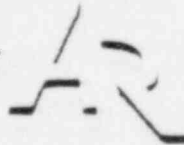
BUDGET SESSION - MARKUP/RECLAMA *P.M.*

DATE: July 30, 1980

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION
3

4 CLOSED MEETING
5 BUDGET SESSION - MARKUP/RECLAMA
6
7

8 Nuclear Regulatory Commission
9 Room 1130
10 1717 H Street, N. W.
11 Washington, D. C.
12

13 Tuesday, July 30, 1980

14 The Commission met, pursuant to notice, at 2:15

15 p. m.

16 BEFORE:

17 JOHN F. AHEARNE, Chairman of the Commission
18 VICTOR GILINSKY, Commissioner
19 PETER A. BRADFORD, Commissioner
20 JOSEPH M. HENDRIE, Commissioner
21
22
23
24
25

1 NRC STAFF PRESENT:

2 L. BARRY, Comptroller

3 K. CORNELL

4 D. RATHBUN

5 N. MONACO

6 W. DIRCKS

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P R O C E E D I N G S

1
2 CHAIRMAN AHEARNE: Well, let's see if we can't
3 bring this process to a close. We have heard the reclamas.
4 Len, do you have any comments? One of the issues that I
5 think we are wrestling with is, are we being too tight. I
6 would not expect a comptroller to say, yes, we are, but
7 nevertheless, I will give you that opportunity. Are we
8 being too tight?

9 MR. BARRY: I would just like to make one
10 observation about how tight is tight. With few exceptions
11 -- when I say with few exceptions, where office directors
12 have by designed reduced a decision unit because they don't
13 feel that that much work is necessary in 1982 versus 1981
14 With few exceptions, there is not a decision unit in here
15 that does not increase in 1982 as compared to 1981, and of
16 course, some more than others.

17 I can't tell you -- you know, if you want me to
18 say, how about the factor of inflation, I can do it by each
19 individual decision unit, but I have done it in total. Even
20 considering a 9 percent inflation where it is appropriate,
21 program support, admin support, travel, and so on, and then
22 I have netted out the travel, a \$10 million increase in
23 travel, because that is to keep us going, rather than doing
24 more work related to safety. Now, there is some safety in
25 there, nuclear data link, and so on, but disregarding the

1 admin support increase, we still come up with about a \$32
2 million net increase in our ability to do more work in 1982
3 as compared to 1981 over and above inflation.

4 CHAIRMAN AHEARNE: And that is at 9 percent
5 inflation?

6 MR. BARRY: That is at 9 percent inflation. I
7 can't tell you whether that is the right number or not. In
8 some cases it is probably under, and in many cases it is
9 over. So, I mean, that gives you some kind of feeling of
10 the capability in 1982 to do more regulatory work than you
11 -- and I haven't factored in, for instance, like in
12 research, in LOCA and transit, where you had a \$15 million
13 reduction, of course, you don't deflate, so again, it
14 shouldn't be under \$32 million worth of net gain to the
15 program.

16 Now, that is not a big program gain, but that is
17 still \$32 million over what we probably will get out of the
18 Congress unless we have some luck with --

19 CHAIRMAN AHEARNE: Bill?

20 COMMISSIONER HENDRIE: That is with regard to the
21 current House mark?

22 MR. BARRY: Yes, sir. So, instead of saying you
23 have reduced, you really have limited the increase by so
24 much.

25 MR. DIRCKS: Well, I guess the -- I keep coming

1 back to a point I made when I first started off. The agency
2 has been through an awful lot in the past year. We have
3 been criticized for not doing a lot of things that the
4 public, the Congress, and other people thought we should
5 have been doing. When you have been through that sort of
6 rigor, you naturally are going to get an increase in
7 resource requirements.

8 The answer may be, well, go back and scrape out
9 the bottom and put the higher priority things on top. That
10 is a longer term process than what we are facing today. I
11 think there will be a lot of opportunities from this point
12 on for the guardians of the taxpayers to take a whack out of
13 this budget, so I would -- as I said, you are not being only
14 liberal with the agency, and you may be about right, but I
15 wouldn't go any deeper than what you have done, and I think
16 as a result of last night's work I would argue to come back
17 a little bit more, but I think you have got to keep in mind
18 your first job is to show that we have enough resources
19 around to do the -- do the regulatory job.

20 It is going to cost more, but don't forget, we got
21 something like 1,400 recommendations for change fired at us
22 over the past year.

23 COMMISSIONER GILINSKY: What about those items --

24 MR. DIRCKS: The items?

25 COMMISSIONER GILINSKY: The one last night.

1 MR. DIRCKS: Well, one at a time, in the research
2 area, I would ease up a bit on what you did to them. I
3 think the SAFER program has been cut back, and I will be the
4 first to admit that over the past years, when I was head of
5 the budget review committee, I did always dive into SAFER,
6 because it was a nice, soft cushion to land on, and you
7 whack away at it. They are down pretty low, and I do think
8 in the SAFER relationship now with NMSS they do sort of
9 reinforce one another's requirements.

10 COMMISSIONER GILINSKY: We didn't hear Jack
11 saying anything about that. I mean --

12 MR. DIRCKS: He would have said it. He said it to
13 us. We have had him in, I think, Kevin, when you were
14 reviewing the research budget, Jack had a heavy hand in that
15 area.

16 MR. CORNELL: At least from our perspective,
17 probably Jack did a more thorough job on looking at the
18 research budget than any of the other program managers.
19 They had a long series of meetings on it back and forth. I
20 suspect he wasn't even aware of the cut that research took
21 yesterday afternoon.

22 COMMISSIONER GILINSKY: You mean, not aware today,
23 when he was up here?

24 MR. CORNELL: Right. They were done at the last
25 minute.

1 COMMISSIONER GILINSKY: What is your
2 recommendation then?

3 MR. DIRCKS: In total dollars?

4 COMMISSIONER GILINSKY: Yes.

5 MR. DIRCKS: Well --

6 COMMISSIONER GILINSKY: Well, as far as this \$5
7 million --

8 MR. DIRCKS: I would nick them for \$2 million or
9 \$3 million, but I wouldn't go --

10 COMMISSIONER GILINSKY: So you would cut it in
11 half?

12 MR. DIRCKS: Yes, I would cut it in half. On
13 the --

14 MR. CORNELL: The other thing you might want to
15 think about, the SAFER division from 1981 to 1982 has not
16 grown, or has not grown very much, and that is the area that
17 you cut back. If you look at a lot of the other divisions,
18 decision units, research staff, some of them have doubled,
19 so you might want to keep that in mind if you want to cut
20 that.

21 COMMISSIONER GILINSKY: Well, do they have enough
22 to spare there so that they can accommodate that \$5 million
23 reduction?

24 MR. CORNELL: I think if you gave them flexibility
25 over the whole program, possibly -- what I am worried about

1 is, the SAFER division has not grown, and the others are
2 growing.

3 COMMISSIONER GILINSKY: Yes, Bob said something
4 about that wouldn't be the way he would do it.

5 MR. DIRCKS: If you gave him the \$5 million cut,
6 he would prefer to distribute it as he saw fit, which I
7 think is a good general rule. Unless you want to keep
8 certain things going, here is your cut, or close down
9 something, but if you have a particular concern -- I think
10 when you come to Stello's budget, the argument, I think the
11 argument is very strong, as Joe made, that 35 people out of
12 1,000, you can certainly do. If the Commission says do it,
13 they can find 35 people within that 1,000 staff to carry out
14 this cut.

15 COMMISSIONER GILINSKY: Well, it isn't even 35.
16 It is probably 25.

17 MR. DIRCKS: Whatever it is. It is in the
18 thirties.

19 CHAIRMAN AHEARNE: Let me suggest -- Bill, you can
20 comment as we go down each one, but let me start with NRR.
21 We had taken \$2 million out of safety technology in a cut
22 last night. What is your view about that?

23 COMMISSIONER GILINSKY: You are asking him? Yes,
24 let's hear from him, and then we can dispose of the matter?

25 MR. DIRCKS: I think that the safety technology,

1 as you pointed out earlier, was a program that just was put
2 together recently. Your guess in this area is as good as
3 anyone, and my guess is good, too. I don't think Harold was
4 going to fight very strongly on the \$2 million cut, and he
5 could basically absolve it, but let me make the general
6 statement again that when this budget goes forward,
7 especially in this climate, it is going to be -- no matter
8 what we go in with, it is going to be cut, and cut hard, and
9 I don't believe in building any fat into the budget, but I
10 don't believe in letting it ride through -- using every
11 honest means we have to come in with a trim, streamlined
12 budget.

13 In all honesty, it is a good budget. It is going
14 to be sliced.

15 MR. CORNELL: Another statistic you might want to
16 keep in mind, in the last two years, OMB and Congress have
17 cut us about 12 percent, if we really have a total. It has
18 been -- Last year it was 5 percent by OMB and 7 by
19 Congress. The year before it was 6 and 6.

20 CHAIRMAN AHEARNE: By last year, are you talking
21 about 1979 or 1980?

22 MR. CORNELL: I am talking about FY 80 and FY 81.

23 CHAIRMAN AHEARNE: By Congress, then, you are
24 talking about the House mark.

25 MR. CORNELL: Right. And not including the

1 reclama. If we get the reclama, it will be slightly less.

2 But if you -- taking Len's figure that we have a 6 percent

3 growth, and if you assume that we are going to be cut 12

4 percent, that means we are going to -- and work with what we

5 eventually end up with, it means we are going to have a 6

6 percent decline in our program, \$32 million, which is --

7 MR. BARRY: That is a \$32 million program growth

8 after you subtract out inflation.

9 MR. CORNELL: What percentage does that come to?

10 MR. BARRY: Pardon me?

11 MR. CORNELL: What percentage does that come to?

12 MR. BARRY: That is about 10 percent, 10 or 12

13 percent, which is not a big growth.

14 COMMISSIONER HENDRIE: But you want to keep in

15 mind that that is \$32 million over the House appropriations

16 mark for 1981.

17 CHAIRMAN AHEARNE: Yes, it is \$32 million -- it is

18 a going in number as opposed to a coming out number.

19 MR. CORNELL: Yes, that is the point.

20 COMMISSIONER HENDRIE: And you remember that we

21 went to OMB with a number that was substantially higher than

22 that and came out of OMB and into the President's budget,

23 \$17 million -- that of the 32, why, 17 we requested, that

24 is, we were in at \$340 -- \$346 million in the President's

25 budget, so the growth -- half of the \$32 million Len

1 comments on is getting back to where we were -- where we
2 were a year ago, in terms of --

3 MR. BARRY: If it came out of the President's
4 budget, the 468 that they approved, we only had about a 10
5 percent -- about a \$10 million --

6 CHAIRMAN AHEARNE: Yes. What did we go in last
7 year at?

8 MR. CORNELL: 345. Oh, go in. I don't know.

9 MR. BARRY: You mean, to OMB? I don't recall it.
10 Do you have that, Nick?

11 CHAIRMAN AHEARNE: I think I have that here. Go
12 ahead.

13 COMMISSIONER HENDRIE: A number larger than 345.

14 (Pause.)

15 MR. CORNELL: At OMB? What did we submit to OMB?
16 We were just curious, idle curiosity, about the loss rate at
17 these various weigh stations. I am not sure. May I comment
18 on that?

19 CHAIRMAN AHEARNE: Yes.

20 MR. CORNELL: My view is that if you look at NRR's
21 dollars solely in the context of safety technology, the
22 decision unit, that the \$2 million cut holds them back a
23 bit, but it doesn't strike me as having cut through flesh,
24 destroyed tendons, and bit deep into the bone of the
25 organization. But I look at it in the sense that I said on

1 a couple of occasions here more in terms of the overall
2 office technical support resource to deal with their
3 assorted problems, and from that standpoint, rather than any
4 particular merit I see in keeping safety technology where
5 they had come out under the EDO mark, I suggest that you
6 stick back \$1 million or \$1.2 million or something like that.

7 My tentative recommendation was to end up taking
8 about 750 out of it, but I would put a little bit back in,
9 but on the basis of maintaining the overall office rather
10 than the safety technology.

11 CHAIRMAN AHEARNE: Len, do you have the --

12 MR. BARRY: Yes, OMB took out about \$26 million.

13 CHAIRMAN AHEARNE: What did we go into OMB with?

14 MR. BARRY: We went in with 494.

15 CHAIRMAN AHEARNE: What did we go in with on
16 program support?

17 MR. BARRY: Well, I am not sure, because about \$2
18 million of that 26 were people reduction in cost, but I
19 don't know how much was program support versus admin. We
20 probably lost --

21 CHAIRMAN AHEARNE: Well, if we came out at --

22 MR. BARRY: -- 468.

23 CHAIRMAN AHEARNE: So we lost 26, you are saying,
24 so we may have gone in at something like 340.

25 COMMISSIONER HENDRIE: We couldn't. We came out

1 with 345.

2 CHAIRMAN AHEARNE: Oh, I was looking at the other
3 -- What did we come out with in program support? I was
4 looking at the wrong one.

5 MR. MONACO: 274.

6 MR. CORNELL: Well, let's see. If you add program
7 support, equipment, admin support, and travel to get all of
8 those non purse combin things, why, you get \$344,940,000 it
9 says here.

10 CHAIRMAN AHEARNE: Okay, so 345, Nick, we came out
11 with. And you take 9 percent of that, on top of that, that
12 is about 380. Not quite. And that would compare with the
13 382 we were planning to go in with here. I was just trying
14 to see whether we were -- if we inflated what we went in
15 with, OMB would come out about where we are now.

16 MR. CORNELL: Let's see. Which 382? I've got --

17 CHAIRMAN AHEARNE: Vic, what do you think about
18 NRR?

19 COMMISSIONER GILINSKY: I don't -- I guess I
20 wouldn't -- I mean, we want to come back and look at the
21 totals, but I wouldn't at this point make a change in that.

22 CHAIRMAN AHEARNE: Wait, this is when we are
23 looking at totals.

24 COMMISSIONER GILINSKY: Well, but we are going
25 office by office. We have to take a final look, but at this

1 point I wouldn't --

2 CHAIRMAN AHEARNE: Add anything back in?

3 COMMISSIONER GILINSKY: I don't think so.

4 CHAIRMAN AHEARNE: To keep the \$2 million out.

5 Peter?

6 COMMISSIONER BRADFORD: I would put one back.

7 CHAIRMAN AHEARNE: I will go with one back.

8 COMMISSIONER HENDRIE: That would run it up to
9 \$34,782,000.

10 CHAIRMAN AHEARNE: Okay, the next reclama we have
11 is I&E. Vic?

12 COMMISSIONER GILINSKY: I would like to hear from
13 Bill on it.

14 CHAIRMAN AHEARNE: I am sorry. I thought you had
15 spoken on I&E.

16 MR. DIRCKS: Well, here is another one, the real
17 issue is the people number, and then the issue there is the
18 resident program, and I guess my view is the same as we just
19 talked about. If you want to keep them at \$1010 and say, do
20 this other thing, I think they would have the ability to do
21 it. But when you say that, they are going to have to cut
22 into, I think, the regional program. I think. They could
23 also go into headquarters.

24 I mean, I don't have -- whenever we look at I&E,
25 we always come away with the feeling that, my God, what are

1 they doing with all those people over there?

2 (General laughter.)

3 MR. DIRCKS: So, how I would come out is, keep
4 them at \$1010 and say, here is how the Commission comes out
5 on the resident program. We want you to do it.

6 COMMISSIONER HENDRIE: I couldn't go the 1049 in
7 1982 and 40 more in 1983, but I must say I was inclined to
8 chuck a few more in and tell him under the sort of general
9 guidance offered and welcome to come and discuss it further,
10 to be quite clear on it, to keep trying to move toward the
11 increased presence goal.

12 I continue to look at, you know, sort of the
13 rudimentary arithmetic, which says that even in the
14 asymptotic state, something like -- something like, well --

15 CHAIRMAN AHEARNE: The trouble is, Joe, you have
16 taken only the first term, and you think that it is a
17 convergent series.

18 COMMISSIONER HENDRIE: Well, yes, I know. At the
19 level of detail on staff strengths that we necessarily have
20 to deal here. However, you know -- I guess I would need a
21 clearer enunciation of the second order terms to be sure
22 that I believe they were necessary. Even for the asymptotic
23 case, why, something around 290 people in the resident
24 program provide two people on every site, 29 -- 29 or 30
25 construction and fuel cycle resident inspectors, and 40

1 percent overhead for clerical and headquarters support for
2 that group, and you -- if you -- at a strength of 1,000 and
3 some, you can just about do that and still have that office
4 manned at a level which is not --

5 CHAIRMAN AHEARNE: I am not sure then why we
6 wouldn't stick with the 1010.

7 COMMISSIONER HENDRIE: Well, primarily because
8 there may be -- there may be a perturbation which one would
9 later decide wasn't all that great at 1010 that you could
10 relieve that relatively modest further number. If you leave
11 it at 1010 and say, keep on with the general goal of two,
12 then he may have to want some other things a little harder
13 in order to have people in the pipeline and station --

14 COMMISSIONER BRADFORD: It happens at the next
15 part of the pipeline. I am thinking about how this is set
16 up, like a boa constrictor. He takes in a large number of
17 people in the resident program. They stay there for three
18 or five years, and then each year after that, one third or
19 one fifth of them pass on into his regular organization.

20 COMMISSIONER HENDRIE: Well, it is not a bad --

21 COMMISSIONER BRADFORD: Does he in fact have that
22 kind of need for them ad infinitum?

23 COMMISSIONER HENDRIE: Well, I think we have a
24 need for them in the agency sense.

25 COMMISSIONER BRADFORD: One way or another.

1 COMMISSIONER HENDRIE: You remember back at
2 various stages when we talked about forming the resident
3 program, we have talked about . . . of the things that ought
4 to be built in as a sort of attraction to people, and also
5 as a mechanism of helping to familiarize our people,
6 particularly the young ones who don't come out of the
7 industry side with the hardware, is, after a tour of duty as
8 a resident three years or whatever you like, that then you
9 regard those graduating residents as prime candidates for
10 filling other jobs, headquarters, and in other offices.

11 Now, if they turn over every three -- if you've
12 got an asymptotic group -- take the whole 300, including the
13 overhead staff, and you turn a third every year, why, it
14 says, here come 100 people, most of them professionals, but
15 some support staff, because I included the overhead, and
16 what is the agency attrition rate?

17 The agency overall attrition rate only has to be 3
18 percent to accommodate 100 a year, and it is substantially
19 higher than that, so that it seems to me that just the
20 general -- the way the numbers fit together is not
21 unreasonable with regard to what do you do with the
22 residents after they have resided.

23 COMMISSIONER BRADFORD: Bill, are you saying that
24 it is in your view not an unreasonable instruction? I am
25 inclined in Joe's direction, perhaps another 10 people, but

1 are you saying in your view that it is not an unreasonable
2 instruction to say stay at 1010, and we still would expect
3 you to maintain these people per se?

4 MR. DIRCKS: Whether it is 1010 or 1020 or 1000,
5 any number along this range is a good enough guess, and I
6 don't --

7 CHAIRMAN AHEARNE: Remember, we are speaking about
8 one -- these deltas are 1 percent of his strength.

9 MR. DIRCKS: And he can manipulate people. God
10 knows how many man years we have had down here on the
11 nuclear data link. We must have three to five people on
12 that one, and we don't seem to have any progress made.
13 There is enough flexibility, I think, whether you feel more
14 comfortable at 1020 than you do at 1010, if you feel more
15 comfortable, then give it 1020, but I don't think it matters
16 program-wise.

17 Now, if you are concerned about a cut, a slash
18 from this point on, you figure they may take 10 or 20 people
19 off the --

20 COMMISSIONER HENDRIE: Well, that is one of the
21 things that I have got in mind. As I have said before, if
22 this were the final determination on this budget, and these
23 were the resources the agency was going to have, why, I
24 think I would want to sit down with Vic and understand
25 rather more clearly just how badly the 1010 was a pinch, but

1 you know, there are going to be two more, three more sets of
2 people up there with knives, and what you are going to end
3 up with, I am afraid, is that the outcome of the 1982 budget
4 may then be an I&E strength which in fact doesn't permit the
5 resident manning.

6 Now, if that is the will of the Congress, duly
7 considered, you know -- I profess to be a willing servant of
8 the system, but I wouldn't propose to volunteer that
9 situation, and I would be inclined --

10 CHAIRMAN AHEARNE: To go to 1020?

11 COMMISSIONER HENDRIE: Well, you know, if you were
12 smiling when I say higher numbers, why, I would go to 1030,
13 but --

14 (General laughter.)

15 COMMISSIONER HENDRIE: -- you know, since you are
16 frowning and grumpy, why, I will propose 1020 -- 1020 and
17 1050 for the two years, and see how that sits with you.

18 CHAIRMAN AHEARNE: How about 1020 and 1040?

19 COMMISSIONER HENDRIE: Well, that is not the worst
20 thing in the world. If I couldn't get 20 and 50, why, I
21 would be glad to compromise.

22 CHAIRMAN AHEARNE: Vic?

23 COMMISSIONER GILINSKY: I guess I would stick with
24 these numbers.

25 CHAIRMAN AHEARNE: Pete?

1 COMMISSIONER BRADFORD: I would use 1020 and 1040,
2 and I think I would also add back in the 500,000 that Vic
3 was talking about.

4 CHAIRMAN AHEARNE: Well, but he has now gotten an
5 extra ten people.

6 COMMISSIONER BRADFORD: That depends on how he
7 uses it.

8 CHAIRMAN AHEARNE: He said that he was going to
9 have to take some people out, and so he wanted about
10 \$100,000, and \$100,000 on contract would buy you about five
11 or seven people. If you are giving him an extra ten, I
12 don't see why he needs \$500,000.

13 COMMISSIONER GILINSKY: Because I have got the ten
14 headed for the residents, and we would like to have another
15 \$500,000 for -- to do that -- some of that inspection work.
16 I have wondered whether we couldn't buy it more efficiently
17 than having government types do it as a matter of fact.

18 COMMISSIONER HENDRIE: I would be glad to add
19 500,000 to his programs.

20 COMMISSIONER BRADFORD: Those five people, weren't
21 they cut in the EDC review?

22 COMMISSIONER GILINSKY: Yes.

23 COMMISSIONER BRADFORD: I agree. We can tell him
24 to do it, but I think in terms of the pattern that you are
25 looking at, if all we did was add ten people back in, it

1 would in effect tell him not to, but this was a cut
2 specifically made to EDO's office. Our numbers are lower
3 than the EDO's, so unless we -- I wouldn't mind telling him
4 to do it, but I think that would have to be done.
5 Otherwise, I don't see how he could meet the pattern of cuts
6 any other way.

7 CHAIRMAN AHEARNE: The only thing that --
8 reluctantly I will go along with you, because I think the
9 Congress is irresponsible this year, particularly the
10 authorizing -- The Park Committee, as I say, I felt was just
11 irresponsible where they took the cuts, and if they voted to
12 take the same approach next year, then there has to be
13 some --

14 COMMISSIONER BRADFORD: I must say as I have
15 listened to the reclamas, to the extent that they are well
16 founded, I do come away with the perspective that we are
17 sort of the last line that is telling the rest of the world
18 what we think safety requires. From then on, the mix is
19 really of people saying, here is what the overall pressures
20 of -- needs of the taxpayer, or maybe you did say

21 CHAIRMAN AHEARNE: Okay, 1010, 1020, 1040, and
22 \$500,000.

23 The next was NMSS, where the reclama was focused
24 upon the \$5 million. Vic?

25 COMMISSIONER GILINSKY: I would like to hear from

1 Bill.

2 MR. DIRCKS: I won't speak as the NMSS
3 representative

4 CHAIRMAN AHEARNE: That's all right.

5 COMMISSIONER BRADFORD: We wouldn't be able to
6 tell the difference.

7 (General laughter.)

8 MR. DIRCKS: I agree. It is the same.

9 COMMISSIONER GILINSKY: Look at the side of the
10 mouth that he is talking about.

11 COMMISSIONER HENDRIE: Len, add the five in 1982,
12 \$582 million for the program -- 1983. So that makes it
13 28794 and 241, right?

14 COMMISSIONER GILINSKY: By the way, before we get
15 to NMSS, our instructions on resident --

16 CHAIRMAN AHEARNE: Ought to be the philosophy, I
17 think, that Joe laid out in the earlier meeting.

18 COMMISSIONER GILINSKY: Right. I am
19 interrupting. I didn't mean to disagree with Joe. I am
20 sure that -- it sounded to me -- what he was saying, it
21 sounded as if two would be the exception on units and sites,
22 and what I understood us to be saying was that one would be
23 the exception, but we were allowing that flexibility.

24 CHAIRMAN AHEARNE: Yes. I think that someone
25 ought to have written down -- Dennis, could you make sure

1 you have got that? Joe outlined a philosophy that --

2 MR. RATHBUN: Yes, sir, I remember. I will go
3 back and look at the transcript.

4 COMMISSIONER HENDRIE: Yesterday's transcript may
5 have --

6 CHAIRMAN AHEARNE: Because I think that is very
7 important, to make sure that gets brought out.

8 COMMISSIONER HENDRIE: And let's make sure he
9 understands that one of our concerns was that perhaps we
10 were proceeding a little too fast on the pace of putting
11 people on sites, and that we are prepared to live with
12 somewhat less site representation in the interests of a
13 little better training and preparation of people going out
14 there, and so there may be some stretch out in the manning
15 of these sites, and that is okay.

16 MR. RATHBUN: You will accept some merely for
17 better quality programs. Is that what you are saying?

18 COMMISSIONER HENDRIE: Yes. I think clearly --
19 because there were clear concerns up and down the table
20 about, you know, people who were very nearly new hires and
21 then with a relatively few week preparation being fired out
22 onto the site.

23 CHAIRMAN AHEARNE: Okay, NMSS.

24 MR. DIRCKS: Well, he emphasized a \$5 million cut,
25 and I -- and when you get into this area, it is a hard one

1 to predict. We could be, if we take the full \$5 million
2 cut, go below the fiscal 1980 number, which might be
3 reasonable if the Congress does what it is attempting to do,
4 but on the other hand they may not succeed, and if they
5 don't succeed, those elements of the Congress, then the
6 whole program, we will be the ones delaying the program.

7 I think \$5 million is too deep, and if you want
8 to --

9 CHAIRMAN AHEARNE: How would you feel about \$2
10 million?

11 MR. DIRCKS: Two would -- a cut of \$2 million.
12 It is getting to a point now where two wouldn't matter very
13 much, I think.

14 COMMISSIONER GILINSKY: I wonder if we could take
15 the research high level part and see how that fits together.

16 CHAIRMAN AHEARNE: It certainly --

17 COMMISSIONER GILINSKY: Have you got any thoughts
18 on that?

19 MR. DIRCKS: Well, the two -- the research money,
20 the research program had been put together with the -- with
21 the NMSS version, so you did have somewhat of an
22 interlocking program. One was based on the other. If you
23 -- if we go in and cut the NMSS version, too, I suppose it
24 does have some impact back on the research program. I
25 haven't really calculated -- I haven't even thought about

1 what that would do with the research. How much is that
2 research and waste money, something like \$7 million, high
3 level waste?

4 MR. CORNELL: Total waste is around 12, 13.

5 MR. DIRCKS: We've got seven, I think, in high
6 level. I don't think -- if you take two out of NMSS, I
7 don't think it would impact a lot on the research program.

8 CHAIRMAN AHEARNE: NMSS. Joe, any comments?

9 COMMISSIONER HENDRIE: Yes. I think that we would
10 make a -- as I indicated at least in part yesterday, I think
11 we would make a considerable mistake if we allowed what we
12 thought to be the progress of a needed and effective program
13 in waste management to be deflected by what seems to me to
14 be a set of political hostage taking which long before we
15 and our staff have to sit down with the actual 1982
16 resources and do the work of the government and the people
17 is likely to be resolved and things going along.

18 You know, just in the last day we have seen a
19 great surge of activity in the Senate. They are down there
20 voting 83 to a few -- to zero in favor of great compromises
21 between, you know, these three groups, minority, majority in
22 different committees, and by the time -- if they keep on on
23 that track, why, I think some of these other things where
24 the Appropriations Committee in effect has been applying
25 some pressure by cutting some budgets, I think that will all

1 get washed out.

2 I would hate to have us going forward into the
3 President's budget with a set of 1982 and 1983 numbers which
4 then attempted to conform to that perturbation and are just
5 no longer germane because we will have -- you know, we will
6 never be able to go to OMB, you know, the first of January
7 and explain how it was all a great mistake, and now things
8 are back on course, and we -- you know, no, no, no, they
9 won't listen to you. They are at the printers.

10 It is like our people. Once it goes to the
11 printer, it doesn't matter what you do.

12 So, I just would move ahead. As I look at the
13 high level waste, we went in and got out of OMB for the 1981
14 budget a program support level of \$10.6 million. That is
15 what the EDO mark is for 1982, and I --

16 MR. RATHBUN: Dr. Hendrie, before you go too far
17 on this, I am afraid I am about to see \$2.3 million
18 evaporate before my eyes. In the morning discussion
19 yesterday, bearing in mind that the EDO request or
20 recommendation was \$27.3 million, you decided at that time
21 to go with \$25 million. Then, in the afternoon, in
22 reaction, and being horrified at the total agency, you
23 suggested a \$5 million cut further.

24 So, the total is \$7.3 million, and I think that --
25 and then when John came down and talked about that, I think

1 he was really only talking about the five million.-

2 MR. DIRCKS: He only focused on the five.

3 COMMISSIONER HENDRIE: What I am saying in my
4 proposal is that I am inclined to go back and go for the
5 dollars.

6 CHAIRMAN AHEARNE: Which dollars?

7 COMMISSIONER HENDRIE: The EDC dollars in this
8 case.

9 CHAIRMAN AHEARNE: \$27.3 million?

10 COMMISSIONER HENDRIE: \$27.3 million. I would
11 stick with the -- Let's see. The people business, we had it
12 in mind --

13 CHAIRMAN AHEARNE: You said to add 20 into the
14 fuel cycle.

15 COMMISSIONER HENDRIE: It is -- on the people
16 business, we are working off 297 -- let's see. Now -- who
17 is the guy who hasn't been able to quite staff up?

18 CHAIRMAN AHEARNE: Cunningham.

19 COMMISSIONER HENDRIE: This isn't the one.

20 MR. BARRY: Yes. As Bill says, it is fuel cycle.

21 COMMISSIONER HENDRIE: That has had trouble
22 keeping up to their levels. Okay. Whereas Martin has been
23 able to keep his -- My inclination is to sort of go back to
24 where we were in the morning.

25 CHAIRMAN AHEARNE: In the morning, we were at 25.

1 COMMISSIONER HENDRIE: No, to go back to the 345
2 in the EDC dollars, and if you can't stomach that, why, I
3 will wave my arms over going back to the morning. It could
4 be 45 to 25.

5 COMMISSIONER GILINSKY: I guess I would go back to
6 our morning number.

7 CHAIRMAN AHEARNE: Of 25. Peter?

8 COMMISSIONER BRADFORD: I would have gone partway
9 back to the 25. If it is the consensus, I would follow it,
10 but I would be happier with 23.

11 CHAIRMAN AHEARNE: You were the one who went lower
12 than that, so would you go 23?

13 COMMISSIONER GILINSKY: When you were saying \$2
14 million --

15 MR. DIRCKS: No, I was focusing on the two out of
16 \$5 million. I was not --

17 COMMISSIONER GILINSKY: You wouldn't go further?

18 MR. DIRCKS: No, I wouldn't.

19 COMMISSIONER GILINSKY: All right.

20 COMMISSIONER HENDRIE: \$23 million is a \$4.3
21 million reduction.

22 CHAIRMAN AHEARNE: Now, wait, let's get clear.
23 When I asked you whether you would be willing -- how about
24 two, were you taking two from 27, or two from 25?

25 MR. DIRCKS: I was taking only -- I was focusing

1 only on the \$5 million. I would take half of that, so I
2 would go back, and -- I would take \$2 million off the EDO
3 mark.

4 COMMISSIONER GILINSKY: So you would end up with
5 \$23 million.

6 MR. DIRCKS: \$25 million.

7 COMMISSIONER GILINSKY: What?

8 MR. DIRCKS: I would end up with \$25 million.

9 COMMISSIONER GILINSKY: Well, that is what I --
10 That is how I interpreted it. I am not sure that everything
11 that has been said is consistent.

12 CHAIRMAN AHEARNE: So you would stick with the 25.

13 MR. DIRCKS: Yes. What you were doing yesterday
14 was adding the cut in the morning to the cut in the
15 afternoon. It was a \$7 million cut.

16 CHAIRMAN AHEARNE: Yes, it was.

17 MR. DIRCKS: And I was not -- I didn't want a \$7
18 million cut.

19 COMMISSIONER BRADFORD: Is it your impression that
20 John and Jack were speaking to a \$5 million cut from \$27
21 million?

22 MR. DIRCKS: They thought that you cut them a
23 total --

24 COMMISSIONER BRADFORD: They thought they were
25 talking about 22 something.

1 MR. DIRCKS: Yes. They were focusing on it. They
2 thought you cut them \$5 million.

3 COMMISSIONER GILINSKY: I guess I have to say I
4 was impressed with Jack's presentation. He is one of the
5 people that I have reasonable confidence in. He spends the
6 money well. That is what budgeting is about.

7 COMMISSIONER HENDRIE: Sounds like a vote for 25
8 to me.

9 CHAIRMAN AHEARNE: All right, 25. Fortunately, I
10 will not have to defend this budget.

11 COMMISSIONER HENDRIE: You keep saying that, and I
12 don't offer any challenge, because I don't want to upset
13 you, but I keep chuckling to myself. You do make a good set
14 of charts and an effective presentation.

15 MR. BARRY: Before you get to research, let me
16 interject, OMB in 1981 reduced program support by \$25
17 million. Two million was in NMSS waste management, high
18 level. \$23 million was in research. \$15 million of that,
19 about 16, was the advance reactors. \$5 million was in LOFT,
20 and \$2 million in equipment.

21 CHAIRMAN AHEARNE: Now, I know --

22 MR. BARRY: That is what they took out.

23 CHAIRMAN AHEARNE: Yes, I know. I went over and
24 argued with them about it. Of course, all those faces have
25 changed, too.

1 Research. I guess where I would have come out on
2 research is, I would have put in one person for the gas,
3 since I think it is only fair that if we add money in, we
4 would add people in to cover. So I would have gone to 174.
5 I would accept adding on as -- well, as I think we -- at
6 least I intended to do, just as last year, to have an item
7 saying that if there is a gas -- an advanced reactor
8 program, breeder program, then here is what it takes for the
9 NRC portion of it, and that would have been the \$8 million
10 plus three people.

11 I would still go with the LOFT closing out.

12 COMMISSIONER GILINSKY: Are we on research now?

13 CHAIRMAN AHEARNE: Yes.

14 COMMISSIONER GILINSKY: I guess I would go with
15 the proposal to review LOFT.

16 COMMISSIONER HENDRIE: I think that would be wise
17 in any case.

18 COMMISSIONER GILINSKY: I don't know what we do
19 about the numbers there.

20 CHAIRMAN AHEARNE: Well, I think that really the
21 question is, if you can count on that kind of a review being
22 completed on time --

23 COMMISSIONER HENDRIE: But it only affects the
24 1983 budget. I was going to vote to do the review and think
25 about it some more, but put the \$9 million in in 1983 so you

1 were covered. If you found out that you wanted to curtail
2 it at the end of 1982, why, you take it back out or shift it
3 to something else.

4 CHAIRMAN AHEARNE: Of course, we had a review
5 group reviewing it. It is called the ACRS.

6 COMMISSIONER HENDRIE: Well --

7 COMMISSIONER BRADFORD: The graduate students were
8 about to descend on us again. I would go with the review
9 group, too, but I think I would leave the money out, for
10 basically the reasons that John advanced the last time we
11 talked. To the extent one wants to create a pressure for
12 other possible sources of funding, this seems a relatively
13 painless way to do it. That is, the review should be over
14 certainly by this time next year, but it could be a four to
15 six week --

16 COMMISSIONER HENDRIE: How are you going to get
17 the money back into the Commission's presentation if we have
18 to make a two-year authorization presentation and put it in
19 the printer in two weeks? The only way you are going to
20 protect it then is to put it in now and note as part of your
21 letter that if your review indicates the wisdom of a
22 phase-cut in 1983 rather than 1984, that you would let them
23 know what the appropriation reduction or reprogramming would
24 be, and I would much rather -- trying to go in there and
25 explain how you meant all along that if it came out this

1 way, you had to put another chunk it, it is a lot harder
2 than having it in there and saying, well, there is that
3 delta, we think, and if the review comes out a certain way
4 and we decide a certain way, then that is either
5 reprogrammed or a reduction.

6 People are always happy to see that kind of talk.
7 They sure aren't happy to go the other way.

8 COMMISSIONER BRADFORD: Except that your chances
9 of coming up with other sources of funding, if our budget
10 carries --

11 COMMISSIONER HENDRIE: I think -- I talked to the
12 Idaho people in the last 36 hours, and there is enormous
13 perturbation going on, that is spreading out overseas as a
14 result of what seems to be the decision. I don't think
15 there is much concern about getting people's attention. I
16 think there is some concern about configuring things at the
17 moment so that you have said, shut down, people begin to
18 reconsider their connections with this program overseas, and
19 their connections with other programs, in which we have
20 joint safety research, because in some ways the
21 configuration in the U. S. and the other nations that are
22 cooperating in reactor safety research, we are carrying
23 obviously much the -- 90-odd percent of the costs. The
24 others are paying a few dollars and getting some reasonable
25 access to some value, but there are some other programs

1 where other people are carrying a heavier burden than we
2 are, not that it is comparable to 90 percent in most cases,
3 but are carrying a heavy burden.

4 I think it is an unfortunate message to carry
5 forward, as a result of a relatively short consideration
6 here. The Committee mucked around in it, and their vote,
7 which always goes back and forth between the people who see
8 the safety research in terms of needing some system scale
9 integral experiments and those people who, as I say, retired
10 at the heat power lab with two graduate students working on
11 an apparatus -- That discussion this year came out in favor
12 of the lab. It has come out in favor of the former in other
13 years. I don't regard it as, you know, as a uniquely
14 compelling reason for the Commission on essentially two
15 days' discussion to turn around a program which has taken so
16 many years to put in place.

17 What was contemplated as a four or five year
18 experimental program, we are now talking about terminating
19 after three or three and a half. I think if you want to
20 contemplate an earlier termination, and it clearly is in the
21 cards to consider it in view of the committee's
22 recommendation, that it is fair to make the examination, and
23 to let people know that it will have to see what seems best
24 overall, but in the meantime I would think it reasonable to
25 leave the program nominally alive rather than nominally dead.

1 CHAIRMAN AHEARNE: I would disagree with almost
2 all of your argument if it weren't for the fact that there
3 is some slight chance of a two-year authorization. If it
4 was a one-year authorization we are facing, I would disagree
5 with you, because then it --

6 COMMISSIONER HENDRIE: Well, then I would argue
7 with you on the basis that you were doing unnecessary
8 violence to the people in the program, and driving out
9 people who would otherwise stay, and if you want to keep the
10 program, you are going to be sorry you did that. On this
11 two-year authorization, you go in and say -- you are just
12 never going to be able to go back up the hill this way.

13 CHAIRMAN AHEARNE: Okay. Yes. I will buy that
14 argument, with two provisos. One is that we do establish a
15 review group to report by the end of December, and the
16 second, that there be -- and I am not sure whether research
17 is the right office, but there be an attempt to review with
18 foreign countries and perhaps with industry that there is a
19 real potential that the program be closed out unless there
20 is a substantial funding contribution.

21 COMMISSIONER HENDRIE: I think that is absolutely
22 appropriate, and I would expand the list with whom one
23 discusses these points to include the Department of Energy,
24 which is lately getting funded for increased water reactor
25 safety, and they might want to sit down and consider that in

1 the whole world there is one integral system of any
2 appreciable size at all beyond, you know, tubing size, in
3 which they can run some of the experiments that would
4 support some of their work, and it seems to me, having the
5 facility there, that there is nothing which would constrain,
6 outside of just fitting together the experimental work,
7 their having some work there and our still having a little
8 work there in an out year or so, and that the net funding
9 for the program made it -- you know, it was useful to keep
10 the facility there.

11 CHAIRMAN AHEARNE: Okay. As far as that goes,
12 that is locked in. Make sure you get the words.

13 All right, how about the rest of -- does anybody
14 disagree with adding the one person for the gas?

15 COMMISSIONER BRADFORD: No.

16 COMMISSIONER HENDRIE: No, I can't.

17 CHAIRMAN AHEARNE: Okay. How about the other? We
18 had asked them to take another \$5 million cut, or a \$5
19 million cut. What is your feeling on that?

20 COMMISSIONER BRADFORD: I guess I would at least
21 be inclined to give them the discretion to spread it, or to
22 come back and reconfigure it, since Bob seemed to be saying
23 he had some better ideas.

24 COMMISSIONER HENDRIE: I think it is too much. If
25 you want to trim a little bit -- my inclination would be to

1 not take the five, but if you want to take some, why, I
2 would take some lesser amount and then let him spread it,
3 and I guess it goes in both years. Is that the idea? That
4 is the way you set up these sheets.

5 COMMISSIONER GILINSKY: I certainly don't remember
6 what the successor allocated, but I would like to hear from
7 Bill. I wasn't strongly persuaded one way or the other
8 about it.

9 MR. DIRCKS: Well, I feel comfortable with the
10 amount we gave them. Bob had some arguments for that
11 program. I think -- I am quite sure I would go down -- I
12 wouldn't come to \$5 million more off the amount you
13 originally gave them.

14 COMMISSIONER HENDRIE: Once again, you remember
15 when Peter was suggesting the safeguards and the
16 environmental fuel cycle, I said, look, why don't we throw
17 waste in, because that decision unit is the one that is
18 really rocketing up, and I certainly wouldn't confine it to
19 those units, just as I am disinclined to handicap very much
20 the program, the kind of program thrust that we had going on
21 in the licensing office. I would not like to handicap this
22 one.

23 MR. DIRCKS: This is sort of the one that is being
24 shifted.

25 CHAIRMAN AHEARNE: Also, research is the one place

1 that I would almost entirely buy Joe's argument that from
2 here on it is cut, because research really is where OMB will
3 take percentage cuts, where Congress will take percentage
4 cuts, because until we have a lot more solid defense of the
5 way all of it fits together, research plans that track, et
6 cetera, and even then it may still have to take cuts, but it
7 is going to be an area that they just slice away, so --

8 COMMISSIONER GILINSKY: And that is where we take
9 the cuts, when they give us just a -- 10 percent, we have
10 only one place to go for that money, and that is into
11 research.

12 CHAIRMAN AHEARNE: So, I wouldn't have taken the
13 cut.

14 CHAIRMAN AHEARNE: Vic?

15 COMMISSIONER GILINSKY: It is all right with me.

16 CHAIRMAN AHEARNE: Which?

17 COMMISSIONER GILINSKY: To restore that.

18 CHAIRMAN AHEARNE: Any strong objections?

19 COMMISSIONER BRADFORD: No, they aren't strong. I
20 had picked up on what I thought was a sensible suggestion
21 related to a couple of particular areas. As one diffuses it
22 over the entire package, then it in percentage terms is
23 hardly worth spending any time on it. My inclination would
24 have been to stay with it, but it is not a big item.

25 CHAIRMAN AHEARNE: Okay.

1 COMMISSIONER GILINSKY: We could end up by
2 restoring, Harold, \$1 million.

3 CHAIRMAN AHEARNE: No, no, no.

4 COMMISSIONER HENDRIE: On 237 and 248 --

5 COMMISSIONER GILINSKY: And what?

6 COMMISSIONER HENDRIE: 248.

7 COMMISSIONER GILINSKY: I have 239.

8 COMMISSIONER HENDRIE: Well, if you are going to
9 keep the budget showing --

10 CHAIRMAN AHEARNE: Oh, I am sorry. You are right,
11 you are right, you are right.

12 COMMISSIONER HENDRIE: -- \$9 million.

13 CHAIRMAN AHEARNE: Yes, you are right.

14 COMMISSIONER HENDRIE: So it would be 237 and 248
15 and 174. I wouldn't make other changes to the most recent
16 numbers, unless you want to put \$1 million back in admin
17 support.

18 COMMISSIONER GILINSKY: What about admin?

19 CHAIRMAN AHEARNE: What about what?

20 COMMISSIONER GILINSKY: Admin.

21 COMMISSIONER BRADFORD: Do you want to put it back
22 or take more out?

23 COMMISSIONER HENDRIE: I wouldn't change it.

24 COMMISSIONER GILINSKY: You were saying, though --
25 questioning some of the systems that have been developed for

1 tracking this and that. Can we -- Have we got to look at
2 all this stuff or can we take a look at all that? I mean,
3 it seems to be -- it isn't just the cost of the system. It
4 seems to be tying people up rather than helping them.

5 CHAIRMAN AHEARNE: It is the cost of the systems
6 in a different way from what one normally means. It is the
7 cost of having the system.

8 COMMISSIONER GILINSKY: It is the cost of having
9 the system, yes.

10 MR. DIRCKS: There has to be some system. Bob
11 comes in, and we have had these -- First of all, I
12 sympathize with Bob Budnitz, because I was on the receiving
13 end of it for a year, and I know what it is like to be
14 tracked on items that you as program director would never
15 even think about, because it is such detail that is picked
16 up by analysts who are looking at time cards very far remote
17 from the program. It is silly to track in that detail. So,
18 we have been working on --

19 COMMISSIONER HENDRIE: I know where you can find
20 some stuff.

21 MR. DIRCKS: But on the other hand, you know,
22 something has to be tracked. There has to be some measure
23 of input versus output. Industry doesn't do this, because
24 they look at profit and cost of profit.

25 CHAIRMAN AHEARNE: Yes, but we really have gotten

1 to the point where we have an artificial collection of input
2 data, and then we turn around and at times tend to treat it
3 as now real data that is a measure of the output.

4 MR. DIRCKS: That is the problem, and then you get
5 an analyst somewhere based on this artificial data writing
6 very succinct condemnations of the program, saying, it looks
7 like 55 man years went into this thing, and no product came
8 out, or you've got 300 percent overhead. It is little
9 comments like that that come back to haunt you.

10 COMMISSIONER GILINSKY: Is there some way we can
11 take a look at all this and simplify these systems?

12 MR. CORNELL: I think you might want to use the
13 agency study that Congress told us to do as a mechanism,
14 have this be one part of that. Tell them to look at the
15 tracking systems we have.

16 COMMISSIONER HENDRIE: You mean the mandated
17 management study?

18 MR. CORNELL: Yes, the management study.

19 COMMISSIONER HENDRIE: Actually, that might turn
20 out to be the most useful part of the management study.

21 MR. DIRCKS: Well, I think that -- that is how I
22 would like to use the management study, to focus on some
23 real problems, and not one of these --

24 MR. CORNELL: Right, rather than lecturing all of
25 us on how to be smarter, have more foresight.

1 MR. DIRCKS: Not only these -- to sort of isolate
2 -- The procurement process is one, the tracking projects is
3 another one. There are several on the personnel system.
4 Are we -- Do we tie ourselves up in knots along those
5 lines. There is a whole series of the way that the agency
6 operates, and I think it could stand a good shaking out.

7 MR. CORNELL: That is a good thought.

8 CHAIRMAN AHEARNE: Anything else on the budget?
9 Len, do you have anything else?

10 MR. BARRY: Tomorrow we will provide all of you a
11 summary sheet on where we are, and break it down in
12 sufficient detail so you can see it.

13 CHAIRMAN AHEARNE: All right. Very good.

14 (Whereupon, at 3:15 p.m., the meeting was
15 adjourned.)

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NUCLEAR REGULATORY COMMISSION

This is to certify that the attached proceedings before the

in the matter of: BUDGET SESSION - MARKUP/RECLAMA

Date of Proceeding: July 30, 1980

Docket Number:

Place of Proceeding: Washington, D. C.

were held as herein appears, and that this is the original transcript thereof for the file of the Commission.

Suzanne Babineau

Official Reporter (Typed)

Suzanne Babineau

Official Reporter (Signature)