

NUCLEAR REGULATORY COMMISSION

ORIGINAL

COMMISSION MEETING

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In the Matter of: PUBLIC MEETING

BUDGET BRIEFING

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AT: Washington, D. C.

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BUDGET BRIEFING

PUBLIC MEETING

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

Friday, July 23, 1982

The Commission met, pursuant to notice, at

10:00 a.m.

BEFORE:

- NUNZIO PLALLADINO, Chairman of the Commission
- VICTOR GILINSKY, Commissioner
- JOHN AHEARNE, Commissioner
- THOMAS ROBERTS, Commissioner
- JAMES ASSELSTINE, Commissioner

STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:

- J. O'REILLY
- R. DeYOUNG
- D. ROSS
- L. BARRY
- W. DIRCKS
- H. DENTON
- J. DAVIS
- J. EVANS

AUDIENCE SPEAKERS:

- P. NORRY
- F. GILLESPIE
- J. FUCHES
- L. DONNELLY
- E. TRINER

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1 process of developing answers is still underway. I  
2 expect that this morning's discussion will touch on many  
3 of these questions.

4 I wish to note that this year's budget  
5 preparation and approval process is being carried out in  
6 accordance with the court decision regarding the conduct  
7 of Commission consideration of budget matters. Copies  
8 of the material I am about to discuss have been made  
9 available to members of the public who are here this  
10 morning so as to facilitate their observation of the  
11 discussion.

12 Before taking up the budget estimates in  
13 detail, I should like to highlight some of the  
14 observations that underlie them.

15 A key resource problem facing NRC is to match  
16 the size, qualification and locations of the staff to  
17 meet our future needs. Resources must be provided to  
18 meet our policy and planning guidance objectives and for  
19 the new Office of Investigations and expanded regional  
20 activities. We need to develop and implement a plan for  
21 effective use of resources for quality assurance. A  
22 decrease in licensing workload would be accompanied by  
23 staff reductions in that area and should permit  
24 increased effort for major issues and completion of  
25 licensing actions on a timely schedule.

1           Now the budget is based on no increases in  
2 personnel in fiscal 1983 and no increases in 1984 with a  
3 slight drop-off in 1985. The reason that our workload  
4 should be leveling off, we have been increasing steadily  
5 since 1977 and many of those items that led to the  
6 increase resulted from TMI actions, but it does not  
7 appear to me that we should be increasing further, at  
8 least not under present circumstances.

9           It is with the considerations in mind as well  
10 as others that I proposed the target figures that are in  
11 the handouts and would like to discuss now.

12           I will be happy to have Commission comments  
13 and questions as we go along, which suggests that  
14 detailed questions for the various offices be grouped  
15 under the discussion of those offices, but we will  
16 entertain questions at any time.

17           Now Bill Dircks, the major program office  
18 directors and other staff are here to respond to points  
19 that may arise.

20           So I propose then to go to charts that we have  
21 prepared, and I believe all the Commissioners should  
22 have copies.

23           (Slide presentation.)

24           CHAIRMAN PALLADINO: If I may go to the next  
25 slide, please, which is called slide No. 1. This slide

1 shows the agency's total funding broken down by major  
2 function. It also shows the total number of staff years  
3 for fiscal '82 through '85.

4 The resources increase slightly in fiscal '83  
5 to \$479.5 million, in '84 to \$498 million and \$484  
6 million in '85.

7 The staffing levels continue to be at the  
8 level that OMB has proposed for us in '83 and through  
9 '84 and then it shows a slight drop in '84.

10 COMMISSIONER AHEARNE: Can I ask a question?

11 CHAIRMAN PALLADINO: Sure.

12 COMMISSIONER AHEARNE: At the bottom, footnote  
13 2, is that '83?

14 CHAIRMAN PALLADINO: Yes. I didn't catch all  
15 the typos.

16 COMMISSIONER AHEARNE: Can someone summarize  
17 where we are in the Congress with respect to any FY-83  
18 levels?

19 MR. BARRY: We don't have any word as yet from  
20 the Congress in either dollars or people.

21 COMMISSIONER AHEARNE: Well, let's see, there  
22 is a House-passed mark on '83, an authorization and  
23 there is a Senate-passed mark in '83, an authorization,  
24 and it is possible that the Conference might have  
25 addressed the total. So can anybody summarize what

1 those numbers are?

2 MR. BARRY: Well, it is my understanding that  
3 the House conferee mark is about \$513 million for fiscal  
4 year '83.

5 COMMISSIONER AHEARNE: The conferee mark?

6 MR. BARRY: The conferee mark. On the  
7 appropriations side we have no indication on the mark as  
8 yet.

9 COMMISSIONER AHEARNE: Now in the absence of  
10 an appropriation bill, what would the number be?

11 MR. BARRY: In the absence of an appropriation  
12 bill we would probably be under a continuing resolution  
13 which means that our level of spending would be the same  
14 as FY-82, which would be \$465.7 million.

15 COMMISSIONER AHEARNE: Now the staff years are  
16 not a Congressional determination; is that correct?

17 MR. BARRY: That is correct, sir.

18 COMMISSIONER AHEARNE: But there is embedded  
19 in the approved budget, for example, in '74 the approved  
20 dollars, and there must be embedded in the 479.5 an  
21 assumption on salaries and benefits. So to some extent,  
22 and obviously depending upon hiring rates, retirement  
23 rates and so forth, the dollars will be adjusted  
24 somewhat, but what are the approximate staff year  
25 estimates embedded in the 479.5?



1 MR. BARRY: The approximate, as is shown here,  
2 would be 3,303 FTE's for permanent staff and an  
3 additional FTE's for other than full-time permanent,  
4 which includes part-time permanents, temporaries,  
5 consultants, et cetera.

6 COMMISSIONER AHEARNE: Is the same true at the  
7 474 as at 3,324?

8 MR. BARRY: That should be 3,325, but yes, and  
9 123 for the for the full-time permanents build up in the  
10 actual dollar cost.

11 COMMISSIONER AHEARNE: Now the recent  
12 requirement for the summer people to be cut back, that  
13 is because of problems in '82 to meet the 3,325?

14 MR. BARRY: Yes.

15 COMMISSIONER GILINSKY: What did that say, by  
16 the way?

17 MR. BARRY: That says that we are getting  
18 close to exceeding our FTE ceiling in '82 as a  
19 combination of both permanents and other than full-time  
20 permanents.

21 COMMISSIONER GILINSKY: What did letting  
22 summer students go early save?

23 MR. BARRY: How many does it save?

24 MS. NORRY: It was six years.

25 COMMISSIONER GILINSKY: And how many summer

1 students were involved?

2 MS. NORRY: There were close to 200.

3 COMMISSIONER GILINSKY: How many weeks early  
4 were they let go?

5 MS. NORRY: Three weeks.

6 COMMISSIONER AHEARNE: Was this in order to  
7 fall under a dollar problem or was it to meet a ---

8 MR. BARRY: We do not have a dollar problem.  
9 It is an FTE OMB limitation.

10 COMMISSIONER AHEARNE: It is an OMB  
11 limitation.

12 MR. BARRY: Yes.

13 COMMISSIONER AHEARNE: Did we request OMB to  
14 allow us to have that six staff year overage?

15 MR. DIRCKS: No.

16 COMMISSIONER AHEARNE: I see.

17 CHAIRMAN PALLADINO: That doesn't solve the  
18 entire overage problem, but we did not ask for it.

19 COMMISSIONER AHEARNE: I was just curious that  
20 we have let the 200 people go three weeks early but we  
21 didn't ask for a reclama of the six staff years.

22 MR. DIRCKS: We are doing a lot of things to  
23 meet that ceiling. We are limiting the inflow of  
24 personnel, we are delaying appointment dates, we have  
25 frozen other appointments and we have not asked for

1 relief on any one of those appointment dates.

2 COMMISSIONER AHEARNE: Since we didn't ask for  
3 any waiver, I conclude you have also reached the  
4 conclusion that none of this has any significant  
5 detrimental impact on the agency?

6 MR. DIRCKS: Significant detrimental impact?

7 COMMISSIONER AHEARNE: Yes.

8 MR. DIRCKS: No, I don't think it has a  
9 significant detrimental impact.

10 COMMISSIONER AHEARNE: Similarly on the 3,303,  
11 that is also an OMB imposed limitation; is that correct?

12 MR. DIRCKS: Yes.

13 COMMISSIONER AHEARNE: And is there any OMB  
14 recommended FY-84 level dollars?

15 MR. DIRCKS: Yes.

16 MR. BARRY: OMB provided as a target \$499  
17 million.

18 COMMISSIONER AHEARNE: So this is coming in at  
19 the OMB target of \$499 million.

20 MR. BARRY: Yes, sir.

21 COMMISSIONER AHEARNE: Did they provide a  
22 target on staff years?

23 MR. BARRY: Yes, 3,303.

24 CHAIRMAN PALLADINO: No, for '84?

25 COMMISSIONER AHEARNE: For '84?

1 MR. BARRY: Yes, 3,303 permanents. I am sorry.

2 CHAIRMAN PALLADINO: 3,172.

3 MR. BARRY: 3,172, yes.

4 COMMISSIONER AHEARNE: So we are coming in at  
5 the dollar level that OMB recommended in '84 but  
6 significantly above the people level in '84.

7 MR. BARRY: That is correct. We are coming in  
8 at approximately 131 over their target.

9 CHAIRMAN PALLADINO: I should point out even  
10 to meet the 3,300 is going to require careful planning  
11 because I expect what the present level of employment  
12 that will start the year with about 3,400 people. If we  
13 reduce our force on a straightline basis, we would have  
14 to go under 3,300 if we didn't do it promptly.

15 MR. BARRY: That is correct.

16 COMMISSIONER AHEARNE: Do you have an OMB mark  
17 for '85?

18 MR. BARRY: We do. We have a mark for  
19 dollars, which is a target of \$450 million. We do not  
20 have a target for staff years.

21 COMMISSIONER AHEARNE: It appears that what we  
22 are doing is we are adhering rigorously to the OMB  
23 dollar limit for '84, significantly going above the  
24 dollar level for '85 and the people level for '84, but  
25 also rigorously adhering to the OMB people level for '82

1 and '83. Could you say a few words about why some you  
2 obviously seem to believe are inviolate and others are  
3 not?

4 MR. DIRCKS: Well, in '82 I think we are  
5 complying with the dollar limitations and we are trying  
6 to comply with the people limitations. '82 is the  
7 fiscal year that we are operating in. In '83 it is  
8 somewhat easier to deal with dollar limitations because  
9 we can make adjustments in programming. With people  
10 limitations, as you know, they are less mobile than  
11 dollars. So we are making an appeal I think to OMB to  
12 go above the FTE limitation in '84.

13 COMMISSIONER GILINSKY: What is the current  
14 staff level?

15 MR. DIRCKS: The current staff level onboard  
16 is 3,365.

17 CHAIRMAN PALLADINO: Permanent.

18 MR. DIRCKS: And we have 45 offers out. Yes.

19 COMMISSIONER AHEARNE: Offers and accepted or  
20 just offers?

21 MR. DENTON: Offers and commitments I think.

22 COMMISSIONER AHEARNE: So your total then is a  
23 little over 3,400 onboard and accepted offers.

24 MR. DIRCKS: That is right.

25 CHAIRMAN PALLADINO: But we have to live both

1 within the dollars and we are trying also to live within  
2 the FTE.

3 COMMISSIONER GILINSKY: Did we think it was  
4 okay to go above or what?

5 CHAIRMAN PALLADINO: What, in dollars?

6 COMMISSIONER GILINSKY: In people.

7 MR. DIRCKS: It is always difficult when your  
8 ceilings are going down. We expected the attrition rate  
9 to be higher than it was and it didn't pan out that  
10 way. People were not leaving the agency. In the FTE  
11 limitation ---

12 COMMISSIONER ROBERTS: Bill, would you speak  
13 up. I can't hear you.

14 MR. DIRCKS: I said when your budgets are  
15 going down then you always lose a lot of flexibility.  
16 We expected the attrition rate to be higher than it was  
17 and the attrition just did not occur. I think that is a  
18 product of the economic conditions of the time, that  
19 people were not leaving us to take other jobs. They had  
20 traditionally left in much larger numbers.

21 So I think the combination of getting the  
22 ceiling pushed down and losing a lot of attrition rate  
23 just forced us into this condition. So as a result we  
24 are looking toward short-term measures to try to stay  
25 within the '82 ceiling, and in '83 we will look at other

1 measures. In '83 we will look toward imposing  
2 limitations on the regional offices in their flexibility  
3 to hire outside the agency. We are trying to get people  
4 to hire within the agency.

5 COMMISSIONER GILINSKY: Now the Chairman  
6 talked about staff reductions. I hope as we go through  
7 here we can indicate where, if anywhere, those will take  
8 place.

9 CHAIRMAN PALLADINO: Well, I have asked the  
10 EDO to develop a staffing plan to try to smooth out our  
11 efforts so that we know what we have to do and how we  
12 are going to try to approach it. I don't think we have  
13 a definite plan yet.

14 MR. DIRCKS: You gave us until I think  
15 September to develop the plan and you should have it in  
16 earlier than September.

17 COMMISSIONER GILINSKY: I guess I would like  
18 to have some sense as to which areas are considered  
19 candidates for staff reduction and why we got into that  
20 situation.

21 MR. BARRY: I think a partial answer, to  
22 clarify your question a little bit is that in terms of  
23 FTE's, how many of the staff we will be permitted to  
24 have, that is spelled out here in the budget. But what  
25 the measure of our problem is going to be from a people



1 standpoint to sustain those FTE's is the problem we  
2 face, and that is what we are trying to elucidate in the  
3 staffing plan that the Chairman has asked us to  
4 produce. Until we get a first cut at it here in another  
5 three weeks, that is a question that would be very  
6 difficult for us to answer in terms of ---

7 MR. DIRCKS: We are dealing in 30 or 40  
8 positions in '82 over what we regard as the ceiling. We  
9 were concerned about filling vacancies and we had a very  
10 strong campaign on recruiting last year and it  
11 succeeded. The attrition rate I have already  
12 mentioned.

13 COMMISSIONER GILINSKY: Let's see, how long  
14 has that been down?

15 MR. DIRCKS: The attrition rate? I guess it  
16 has been down for the past several months. The third  
17 factor is that in certain critical areas we were told to  
18 let people hire over ceiling. In the Clinch River area  
19 and in the safety technology area we gave permission for  
20 offices to proceed above ceiling and they did. So when  
21 you allow people to go over ceiling, you have a lower  
22 attrition rate and you have a vigorous recruiting  
23 campaign, I think you just build in that you are going  
24 to have a position control problem.

25 CHAIRMAN PALLADINO: I think it is not much

1 over seven or eight months ago when we sat down and  
2 discussed our personnel situation. I was told well, we  
3 have characteristically always had a hundred unfilled  
4 positions, and I said, well, there is no sense in having  
5 personnel targets and then not living up to them. So I  
6 encouraged a recruiting campaign to fill those hundred  
7 slots, and I said, well, where we have peak workloads  
8 that we have to handle, since we have these hundred  
9 slots, let's authorize a little bit of overhire and then  
10 we can adjust them later.

11 What I didn't expect was the tremendous  
12 success and I don't think we were aware of the  
13 tremendous success we were having in recruiting coupled  
14 with the attrition to catch it in time.

15 COMMISSIONER GILINSKY: What is the normal  
16 attrition rate?

17 MR. BARRY: You correct me, but in the past it  
18 has been as high as 17 percent. It is now running four  
19 or five percent?

20 MS. NORRY: It is down about four or five, yes.

21 COMMISSIONER GILINSKY: What was it last year?

22 CHAIRMAN PALLADINO: What was it last year,  
23 Pat?

24 MS. NORRY: It ran between 12 and 17 percent.

25 COMMISSIONER GILINSKY: Last year?

1 MR. BARRY: Last year.

2 MS. NORRY: Last year. You are talking about  
3 1981?

4 COMMISSIONER GILINSKY: 1981.

5 MR. BARRY: So it has drastically reduced.

6 MS. NORRY: Starting in about January it began  
7 to go down.

8 COMMISSIONER GILINSKY: This January?

9 MS. NORRY: Of this year.

10 COMMISSIONER GILINSKY: Were we still making  
11 commitments as far as hiring people and making offers at  
12 that point?

13 MR. BARRY: Yes.

14 MR. DIRCKS: I think we were again trying to  
15 fill positions where the critical need occurred. There  
16 was critical need in the whole area of safety technology  
17 and we were recruiting in that area. The problem is  
18 that on a down swing you don't always attrit people in  
19 areas where you would like to see people get out of and  
20 people just weren't leaving in certain other areas.

21 I don't think we have an overwhelmingly  
22 catastrophic problem here. I think it is the position  
23 of management that we can our way out of it.

24 COMMISSIONER ASSELSTINE: Given the fairly  
25 limited nature of the problem and these somewhat

1 unforeseen circumstances, why shouldn't we ask OMB for  
2 relief for '82 to the extent that we are talking about a  
3 fairly limited number of positions?

4 MR. DIRCKS: We haven't formally asked OMB. I  
5 think the FTE control is a recent OMB device. What  
6 happens if you drift over the FTC we don't know. I  
7 gather some agencies have gone over and OMB sends a  
8 letter of admonishment, whatever that means.

9 COMMISSIONER AHEARNE: Well, I think Jim's  
10 suggestion and my earlier suggestion was not that we  
11 just drift over but that we ask for a waiver to go over.

12 CHAIRMAN PALLADINO: I think that might be a  
13 good move because I don't think we are going to get down  
14 to 3,334.

15 MR. BARRY: We can.

16 COMMISSIONER ROBERTS: Do other agencies do  
17 that?

18 MR. DIRCKS: I believe they have asked for  
19 relief and I don't think relief has been given. I think  
20 some agencies go over the FTE. We have discussed this  
21 informally with the Program Division over there and the  
22 result was that if you go over we will let you know.  
23 Well, we can ask. I think the reason why they want to  
24 give you ---

25 CHAIRMAN PALLADINO: There is a problem in

1 asking if you get a "No" answer. I have been through  
2 this at the universities. I can't translate that  
3 experience to here. I don't know how OMB works. There  
4 if you ask for overage, the answer was generally no, but  
5 I noticed that those that went over had a "tut-tut" kind  
6 of response. If you have a "No" then you have a focus  
7 by the supervising people to make sure you comply.

8 MR. DIRCKS: I think what they are interested  
9 in is have we made good faith efforts to stay within the  
10 ceiling.

11 COMMISSIONER AHEARNE: I think you can get a  
12 hundred letters that will say that you did.

13 (Laughter.)

14 MR. DIRCKS: Well, okay, but I don't think you  
15 can then carry on business as usual. They will want to  
16 see if we have taken steps, and I think we have taken  
17 steps. I think that will be taken into consideration.

18 COMMISSIONER GILINSKY: How does the control  
19 process work? Who keeps an eye on that number as people  
20 are hired and leave?

21 MR. DIRCKS: Pat can correct me, but we submit  
22 reports to the Office of Personnel Management ---

23 COMMISSIONER GILINSKY: No, I mean within the  
24 agency.

25 CHAIRMAN PALLADINO: Internally. That is one

1 of the hardest things to do, but go ahead.

2 Pat, can you respond? Did you hear the  
3 question?

4 MR. DIRCKS: How do we control FTE's?

5 MS. NORRY: Well, the FTE's are controlled  
6 through a process of keeping track of the current  
7 onboard account, the projected onboard, the offers that  
8 are out and projects are made on a monthly basis. We  
9 are now making them more frequently because we are  
10 getting closer to the end of the year.

11 COMMISSIONER GILINSKY: So what are our  
12 projections that we have been making over the past six  
13 months? We must have realized that we were going over.

14 MS. NORRY: The projections have changed,  
15 depending upon the kinds of actions that we have taken  
16 to restrict hiring and how tightly we have wound down on  
17 the possibility of hiring.

18 COMMISSIONER GILINSKY: What does that mean?

19 MS. NORRY: What that means is that we have  
20 extremely tightened the staffing process now. There is  
21 a freeze on.

22 COMMISSIONER GILINSKY: But what were your  
23 projections all along? Were you projecting that we were  
24 going to go over?

25 MS. NORRY: The projection of going over

1 developed over a period of time based upon the  
2 unanticipated success in hiring and recruiting.

3 COMMISSIONER GILINSKY: When did you start  
4 projecting that we were going to go over?

5 MR. DIRCKS: Well, I can answer that. We  
6 started projecting this overage about six months ago and  
7 we kept a very close track all the way through. Now if  
8 we exceed it, and we were warning people that we were  
9 going to exceed it, and so we took a series of steps.  
10 Some of those steps may not be popular. Summer students  
11 may not like it. Some employees who had planned on  
12 coming to work in September will have to come in in  
13 October. But I think what you are seeing is more  
14 prevalent throughout the economy and it is also more  
15 prevalent throughout the City of Washington where  
16 agencies have actually cancelled appointment letters.

17 In our agency we are going through a period of  
18 slight discomfort, slight compared to other agencies.

19 COMMISSIONER GILINSKY: What I am trying to  
20 understand if did we go over deliberately or was this  
21 inadvertent?

22 MR. DIRCKS: We did not go over deliberately.  
23 We went over through a series of actions that I just  
24 mentioned.

25 CHAIRMAN PALLADINO: I do think there was a



1 period in which we didn't pay enough attention.

2 MR. BARRY: Let me modify Bill's ---

3 CHAIRMAN PALLADINO: Well, let me finish. I  
4 think I became aware of the problem about three months  
5 ago and this is when we undertook to take the freeze.  
6 As a matter of fact, you anticipated it because in the  
7 letters to the summer interns there was a statement in  
8 there that they may have a foreshortened period during  
9 the summer.

10 COMMISSIONER GILINSKY: And the following  
11 sentence said that it was highly unlikely or unlikely.

12 CHAIRMAN PALLADINO: Well, it didnt say  
13 "highly." It was "unlikely."

14 COMMISSIONER GILINSKY: I am thinking of a  
15 highly unlikely accident.

16 (Laughter.)

17 CHAIRMAN PALLADINO: But I think we have to  
18 face up to realism. If we are going to try to limit our  
19 FTE's, it is going to take some action to do so. I  
20 think we have been remiss in allowing the overhiring to  
21 go as far as it did to cause us a problem this year.  
22 However, the problem this year is not I think as severe  
23 as the one we are going to face next year. It is a  
24 rather modest problem.

25 COMMISSIONER GILINSKY: Why is that?

1           CHAIRMAN PALLADINO: Because the hiring didn't  
2 product people at the beginning of the year but it  
3 produced people toward the end of the year. So they  
4 average out over the year close to the 3,325. But when  
5 you have them onboard at the start of the year with  
6 overages, then the problem gets more severe.

7           COMMISSIONER GILINSKY: What is the attrition  
8 rate now?

9           CHAIRMAN PALLADINO: You said about four or  
10 five percent?

11          MR. BARRY: It is down to about four or five  
12 percent.

13          COMMISSIONER GILINSKY: Well, isn't that going  
14 to bring the number down to a reasonable range?

15          MR. DIRCKS: When you start off a year in an  
16 overage when you count FTE's, you always have to come  
17 down two positions for every ---

18          COMMISSIONER GILINSKY: Yes, but still you  
19 were talking about ---

20          COMMISSIONER AHEARNE: If they start off at  
21 3,400, four percent would just bring them below 3,300,  
22 and that wouldn't do the FTE.

23          CHAIRMAN PALLADINO: We are going to have to  
24 develop a plan. I don't think this is something you can  
25 just do off the top of one's head. I think it does take

1 some planning.

2 COMMISSIONER GILINSKY: Do you estimate that  
3 attrition will go down from the four or five percent,  
4 will continue to go down or will stay at four or five  
5 percent?

6 MR. DIRCKS: I think a lot of it depends on  
7 how much the economy picks up. If there are job  
8 opportunities outside the agency, people will leave.  
9 They have traditionally done that.

10 The other thing to take into consideration is  
11 that you are not always attriting in those areas that  
12 you would like to attrit in. If you have very desired  
13 skills in the agency, they will attrit at a rate of 20  
14 to 25 percent. You get other skills that you may not  
15 need right now and they may stay around for a long time.

16 COMMISSIONER AHEARNE: But you also are  
17 pointing out there that where you have the high  
18 attrition there are areas where you may have to go out  
19 to rehire to fill from outside anyway because they are  
20 skills that aren't easily found within the agency.

21 MR. DIRCKS: That is right.

22 CHAIRMAN PALLADINO: Okay for now on that  
23 chart?

24 (No response.)

25 CHAIRMAN PALLADINO: All right, why don't we

1 go to chart 2. Now this chart shows total personnel and  
2 program support, which is the second line in the  
3 previous chart, and it shows it for the regional  
4 operations and the headquarter offices and agency  
5 administration. The program support increases through  
6 fiscal '84 to, and I have to check because some of these  
7 things were just typed for me, and I have already found  
8 some typos, so I want to make sure they are correct, but  
9 the program support increases through fiscal '84 to  
10 \$286.5 million and then decreases to \$269.6 million,  
11 which is \$3 million below the current '82 level.

12 From fiscal '82 to fiscal '84 resources for  
13 regional operations increase steadily as shown by the  
14 first line. The staff increases by about 40 percent.  
15 So that by 1985 NRC will have almost a third of its  
16 total staff in the regions, and program support  
17 increases by about ---

18 COMMISSIONER GILINSKY: Where are you reading  
19 those staffing numbers?

20 CHAIRMAN PALLADINO: Look at the regional  
21 operations. Do you have a copy?

22 COMMISSIONER GILINSKY: Yes, I do. I don't  
23 have the left-hand side.

24 (Laughter.)

25 CHAIRMAN PALLADINO: Headquarters staff

1 decreases by almost 13 percent, while program support  
2 remains fairly level until fiscal year 1985 when it  
3 begins to drop.

4 Now we will go through individual offices  
5 later, but this gives you another cross cut of the  
6 personnel and it also gives the way the program support  
7 dollars are to spent.

8 COMMISSIONER AHEARNE: I have a couple of  
9 general questions. You list research headquarters. I  
10 understand in the other NRR, NMSS and I&E where you have  
11 people out in the field, are you also putting research  
12 to go out in the field?

13 MR. DIRCKS: No.

14 CHAIRMAN PALLADINO: It is purely research.

15 COMMISSIONER AHEARNE: The second question,  
16 the type of dollars that these are?

17 CHAIRMAN PALLADINO: U. S. dollars?

18 (Laughter.)

19 MR. BARRY: In '83, they are '83 dollars based  
20 on an inflation rate that we put into the '83 budget at  
21 7.3 percent as compared to '82.

22 COMMISSIONER AHEARNE: And the '82 are '82  
23 dollars?

24 MR. BARRY: Yes, sir.

25 COMMISSIONER GILINSKY: Let's see, is that the

1 right inflation rate?

2 MR. BARRY: That was the rate that we were  
3 permitted to put in. That is an OMB rate. They  
4 prescribe a rate for us each year.

5 CHAIRMAN PALLADINO: What was that rate?

6 MR. BARRY: 7.3.

7 In '84, I can't really tell you what is in  
8 there in all honesty. What I can tell you is that  
9 OMB ---

10 COMMISSIONER AHEARNE: But that is not because  
11 we are in an open meeting?

12 MR. BARRY: No.

13

14 CHAIRMAN PALLADINO: It is because you can't  
15 tell.

16 MR. BARRY: Yes.

17 (Laughter.)

18 MR. BARRY: When you realize that about 50  
19 percent of the dollars do come from the labs, you know,  
20 it is all over the place, whatever they think their  
21 salaries are going to increase in '84 ---

22 COMMISSIONER GILINSKY: Fifty percent of our  
23 total budget is going to the DOE labs?

24 MR. BARRY: Yes, about that, mostly program  
25 support, about 85 percent of program support, and

1 program support is about 50 percent.

2 COMMISSIONER AHEARNE: Joe Hendrie would have  
3 wanted to point out that those are national labs  
4 who are ---

5 MR. BARRY: That is right.

6 (Laughter.)

7 COMMISSIONER GILINSKY: And described it as a  
8 ritual offering.

9 (Laughter.)

10 COMMISSIONER AHEARNE: Your statement or the  
11 dollars?

12 (Laughter.)

13 MR. BARRY: OMB's guidance for '84 is an  
14 inflation rate that they will recognize of 5.5 percent.

15 CHAIRMAN PALLADINO: Say that again.

16 MR. BARRY: 5.5.

17 CHAIRMAN PALLADINO: For what?

18 MR. BARRY: For '84. That is the rate that  
19 they will recognize.

20 COMMISSIONER AHEARNE: '83 to '84?

21 MR. BARRY: Yes, sir, and in '84 to '85 it is  
22 an '84 dollar rate, and that will be next year, but OMB  
23 has told us that the inflation rate they will recognize  
24 at the moment is 4.9 percent.

25 COMMISSIONER AHEARNE: So let's see if I



1 understand. The '82 column dollars are '82 dollars  
2 actually spent.

3 MR. BARRY: Yes, sir.

4 COMMISSIONER AHEARNE: '83 is what at the time  
5 was estimated in terms of '82 levels of type of effort  
6 inflated at 7.3 percent?

7 MR. BARRY: Yes, sir.

8 COMMISSIONER AHEARNE: The '84 would be  
9 characterized as '84 dollars ---

10 MR. BARRY: Yes, sir.

11 COMMISSIONER AHEARNE: --- which would be a  
12 mixture of a 5.5 percent inflation rate on those things  
13 that are directly estimated by us ---

14 MR. BARRY: Yes.

15 COMMISSIONER AHEARNE: --- and something  
16 higher you estimate due to embedding where the  
17 laboratory estimates are involved?

18 MR. BARRY: Yes. Now if the DOE labs follow  
19 the OMB guidance, it should be 5.5 percent, but who  
20 knows.

21 COMMISSIONER AHEARNE: Then the '85 numbers  
22 are supposedly '84 dollars?

23 MR. BARRY: '84 dollars, that is correct.

24 COMMISSIONER AHEARNE: Okay, and this, since  
25 it is program support, doesn't involve any of the salary

1 and benefit questions with respect to NRC employees?

2 MR. BARRY: It does not.

3 COMMISSIONER GILINSKY: Let me ask you this.  
4 You say the numbers come from the DOE labs. The dollars  
5 are committed to them at this point though.

6 MR. BARRY: No. What I am saying is when we  
7 receive the standard form 189 concerning all the  
8 projects they are doing for us, the numbers that our  
9 staff and their staff talk about in the future carries  
10 whatever inflation rate the labs put in there, and, you  
11 know, it is not that closely reviewed in terms of  
12 inflation rates. They review it in terms of man-year  
13 output against a product.

14 Usually we are pretty close together in the  
15 sense that OMB does prescribe an inflation rate to DOE  
16 just like they did us, and it was the same rate. It was  
17 5.5. That went out to the DOE field operations  
18 offices. So we would have to assume that that is  
19 probably the rate they cranked in there, but you just  
20 don't know for sure.

21 COMMISSIONER AHEARNE: Dennie, could you  
22 comment on how much of your 209.9 is driven by the DOE  
23 lab estimates?

24 MR. ROSS: I don't think it is driven very  
25 much. Let me check with Frank, but I don't think we

1 consulted with them.

2 MR. GILLESPIE: On the '84 estimates the only  
3 consultation with the DOE labs is strictly where we have  
4 multi-year projects and we already had a figure. The  
5 greater portion of that is the staff's estimate of how  
6 much it should cost or how much a particular product or  
7 report is worth. So the '84 number is in Research's  
8 case 60 percent our staff estimate. They are  
9 non-continuing projects. They are new projects that  
10 would start in '83 and '84.

11 COMMISSIONER AHEARNE: Frank, when you do that  
12 staff estimate, is that staff estimate done in '83  
13 dollars and then a 5.5 percent inflation applied to it?

14 MR. GILLESPIE: You could say it is done in  
15 '83 dollars because we are recognizing that it is about  
16 \$110,000 a man-year per Ph.D. in a lab with his  
17 laboratory and his test tubes.

18 (Laughter.)

19 MR. GILLESPIE: That covers his overhead. He  
20 is not making that much, I don't believe.

21 (Laughter.)

22 COMMISSIONER ASSELSTINE: What is the overhead  
23 rate for the labs?

24 MR. GILLESPIE: That is DOE's number and we  
25 don't know what that is.

1 (Laughter.)

2 MR. GILLESPIE: We figure a Ph.D. in a lab in  
3 about \$110,000 on the average. Brookhaven is a little  
4 cheaper and I&L is a little more expensive. So it  
5 varies lab to lab. That is about an average. If it is  
6 a complex computer modeling job, then just based on past  
7 experience we know how much computer time was needed  
8 with TRAC. So you are taking an estimate. Well, our  
9 charges for this amount of computer time was this much.  
10 So we know we need about that much. So in that sense it  
11 is current dollars.

12 COMMISSIONER AHEARNE: So you saying that the  
13 estimate, rather than an explicit calculation of the 5.5  
14 percent, it is really not there.

15 MR. GILLESPIE: It is really not there, right.

16 CHAIRMAN PALLADINO: On 60 percent of it?

17 MR. GILLESPIE: On about 60 percent of it.

18 COMMISSIONER GILINSKY: How does that cost per  
19 man compare in labs in private firms?

20 MR. GILLESPIE: It depends on the talent.  
21 With private firms if we are contracting, it is a fixed  
22 price contract or if we give them the overhead. In  
23 general private companies are maybe a little cheaper but  
24 not very much when you look at the type of person you  
25 are getting charged for. Labs charge us less for the

1 keypunch operator who is typing it in. Private  
2 companies also charge us less. So it is really not  
3 clear cut on man-year charges. It depends on the person  
4 you are getting charged for.

5 COMMISSIONER AHEARNE: So 60 percent of these  
6 dollars of the 2,099 are from continuing contracts.

7 MR. GILLESPIE: No, about 60 percent are new.

8 COMMISSIONER AHEARNE: So 40 percent are  
9 continuing contracts.

10 MR. GILLESPIE: About 40 percent are  
11 continuing contracts.

12 COMMISSIONER AHEARNE: Okay, and the 40  
13 percent were the ones, many of those, where you would  
14 get the 110 for the staff year for '84?

15 MR. GILLESPIE: We have got a DOE projection  
16 on a standard 189 form that gives you a projection out  
17 for the year.

18 COMMISSIONER AHEARNE: So the 60 percent are  
19 the ones you have estimated staff-year effort for a  
20 project and then you folded in the estimate in dollars  
21 for that?

22 MR. GILLESPIE: Right, that is staff developed  
23 here.

24 COMMISSIONER AHEARNE: And what do you use for  
25 that factor?

1           CHAIRMAN PALLADINO: That is where I gather  
2 you are using the 110,000.

3           MR. GILLESPIE: That is right now where we are  
4 using \$110,000 a man-year.

5           COMMISSIONER AHEARNE: That is then a mixture  
6 of whether it is private or DOE?

7           MR. GILLESPIE: Right. We are using that  
8 straight across the board.

9           COMMISSIONER AHEARNE: And you got the 110 how?

10          MR. GILLESPIE: That is about what we are  
11 getting charged right now.

12          COMMISSIONER AHEARNE: But you are getting  
13 charged right now in theory in '82 dollars.

14          MR. GILLESPIE: Well, okay. We have our '83  
15 estimates out. We have gone to the labs in April of  
16 this year with our program assumptions for '83. So we  
17 are really basing it on an '83 value.

18          COMMISSIONER AHEARNE: But would that then say  
19 that you haven't put in the 5.5 percent?

20          MR. GILLESPIE: That is correct, and indeed we  
21 would expect possibly the labs to come back and say you  
22 haven't allowed enough money ---

23          COMMISSIONER AHEARNE: Well, I guess I am not  
24 sure then. Are you saying that if I took the 60 percent  
25 of the 209 so it would be somewhere around \$122 million

1 that there ought to be an additional 5.5 percent put on  
2 that to really make it in '84 dollars?

3 MR. BARRY: I guess my answer would be that if  
4 you could do it that precise, the answer would be yes.

5 COMMISSIONER AHEARNE: That is about \$7  
6 million.

7 CHAIRMAN PALLADINO: This \$110,000 a year, is  
8 that the rate that you use now for '82?

9 MR. GILLESPIE: That is the rate that we  
10 projected forward. That was for '83.

11 CHAIRMAN PALLADINO: What rate do you use for  
12 '82?

13 MR. GILLESPIE: For '82?

14 CHAIRMAN PALLADINO: If we were estimating '82  
15 costs.

16 MR. GILLESPIE: If we were estimating '82 we  
17 would use about \$100,000.

18 CHAIRMAN PALLADINO: And now in '83 you are  
19 using ---

20 COMMISSIONER AHEARNE: Well, that is what they  
21 would really be paying I assume.

22 CHAIRMAN PALLADINO: I understand. I am  
23 trying to see did they include any inflation in that  
24 \$110,000.

25 MR. GILLESPIE: Yes.

1           CHAIRMAN PALLADINO: And \$110,000 is what you  
2 are using in '83?

3           MR. GILLESPIE: That is the rule of thumb we  
4 are using for '83.

5           COMMISSIONER AHEARNE: Well, what he also is  
6 saying, as your questions pointed out, that as opposed  
7 to 7.3 percent inflation allowed by OMB, they are really  
8 taking about a 10 percent inflation.

9           CHAIRMAN PALLADINO: On that 60 percent.

10          COMMISSIONER AHEARNE: Well, I would guess it  
11 more like on 100 percent since the number comes from the  
12 DOE.

13          MR. GILLESPIE: You are looking for  
14 preciseness, and this is not exactly ---

15          COMMISSIONER AHEARNE: What I am really  
16 looking for are \$5 and \$10 and \$15 million. I am trying  
17 to understand whether those amounts of dollars are pads  
18 or absent. That is what I am really trying to find. As  
19 I understand it, the package is put together by trying  
20 to make rough estimates of the staff-year efforts  
21 required for a bunch of research projects and then you  
22 have a factor of dollars on top to pay for those staff  
23 years. You sum this all up and you end up with roughly  
24 \$210 million.

25          I am trying to figure out whether or not there



1 should be an additional \$10 million on top of that to do  
2 the work that is estimated. Now it is entirely possible  
3 that the counter is that the staff-year estimates are  
4 easily soft by 10 percent and as a result you can't be  
5 that accurate.

6           CHAIRMAN PALLADINO: He does add it from '82  
7 to '83.

8           COMMISSIONER AHEARNE: But I am addressing  
9 '84. That is the number I am talking about.

10           MR. GILLESPIE: For '84 there is an inherent  
11 inflation rate put in there. What we are basing the  
12 costs of a particular product on is our past experience,  
13 how much did it cost last year and the year before. It  
14 is inflated in '84.

15           COMMISSIONER AHEARNE: But you said it was  
16 \$110,000 a person.

17           MR. GILLESPIE: You want '82 to '83 and for  
18 our assumptions that went out in '83 we put in an extra  
19 10 percent. The way the process works is we are telling  
20 the lab we are willing to pay this much for this product  
21 and they come back and say we can't do it or we can.

22           COMMISSIONER AHEARNE: But what was the  
23 per-person charge that you assumed for '84?

24           MR. GILLESPIE: We use the same 110, the '83  
25 planning base. The breakdown between the personnel

1 charges and the hardware charges is another fuzzy area,  
2 so that we don't just totally focus that we are just  
3 paying salaries with this. When it costs you \$3 million  
4 for an experiment, the experiment itself is, you know,  
5 if it is off by 20 percent it can be very costly. So we  
6 have not gotten to building an artificial accuracy into  
7 the estimates.

8 COMMISSIONER GILINSKY: How much of this money  
9 goes into the labs on sole source contracts?

10 MR. GILLESPIE: Goes into the labs?

11 COMMISSIONER GILINSKY: Yes.

12 CHAIRMAN PALLADINO: National labs you mean?

13 COMMISSIONER GILINSKY: Yes.

14 MR. GILLESPIE: Eight-five percent.

15 COMMISSIONER GILINSKY: Eighty-five percent of  
16 the research money?

17 MR. GILLESPIE: Yes.

18 COMMISSIONER GILINSKY: What about the rest of  
19 the money, this contract money there in addition to  
20 research money?

21 MR. BARRY: The amount of program support that  
22 goes to the labs, I think it is about 83 percent now.  
23 It is down a little.

24 COMMISSIONER GILINSKY: Of that total? Of the  
25 270 or 280?

1           MR. BARRY: No, of our total program support.  
2 That includes NRR and I&E and NMSS.

3           COMMISSIONER GILINSKY: Eighty-three percent  
4 goes into the labs?

5           MR. BARRY: Into the labs, yes.

6           COMMISSIONER GILINSKY: And of the other 17  
7 percent how much is sole source and how much goes out on  
8 bid?

9           MR. BARRY: I can't answer that at the moment  
10 of how much of that contract money is sole source. I  
11 think it is pretty minor, but I don't know.

12           Pat, do you know?

13           MS. NORRY: I think it is running around 9 or  
14 10 percent.

15           MR. BARRY: Nine or ten percent of the \$17  
16 million I guess then would be ---

17           COMMISSIONER GILINSKY: Nine or ten percent of  
18 the remainder?

19           MR. BARRY: Of the remainder of the contract  
20 money that goes through our Contracts Office.

21           COMMISSIONER GILINSKY: Is sole source?

22           MR. BARRY: That is what Pat estimates.

23           MS. NORRY: That may be high. I don't have  
24 that precise figure.

25           MR. BARRY: I just don't know.

1                   COMMISSIONER GILINSKY: So almost all the rest  
2 go out on bid?

3                   CHAIRMAN PALLADINO: I am sorry?

4                   COMMISSIONER GILINSKY: Roughly 90 percent of  
5 the non-lab contracts go out on bid or are bid  
6 competitively?

7                   MS. NORRY: I believe that is correct, yes.

8                   MR. BARRY: And I think I am correct in saying  
9 a good share of the sole source are 8-A firms, minority  
10 firms. That is one of the main reasons for sole source.

11                  CHAIRMAN PALLADINO: Do you want more precise  
12 numbers?

13                  MR. BARRY: We can certainly get you I think a  
14 pretty firm -- well, we can. Our contracts people can  
15 tell you what it is, what it has been running.

16                  COMMISSIONER GILINSKY: Yes, I would like to  
17 know.

18                  MR. BARRY: Yes, indeed.

19                  CHAIRMAN PALLADINO: Okay, any other questions  
20 on this chart?

21                  COMMISSIONER ROBERTS: Yes, I have a  
22 question. Do the Regional Administrators feel  
23 comfortable with your projections for regional  
24 operations?

25                  CHAIRMAN PALLADINO: Well, we have Jim

1 O'Reilly here.

2 MR. DIRCKS: I would say yes but ---

3 (Laughter.)

4 CHAIRMAN PALLADINO: I think he wants to hear  
5 it from the region.

6 MR. O'REILLY: Yes, sir.

7 (Laughter.)

8 COMMISSIONER GILINSKY: What did you have in  
9 mind, Tom?

10 COMMISSIONER ROBERTS: Their activities are  
11 being greatly increased and I wonder if they feel  
12 comfortable with the projected increased resources? It  
13 is a very simple question.

14 COMMISSIONER AHEARNE: I guess I would ask the  
15 Headquarters Division whether they are comfortable with  
16 their decrease. I wouldn't think the regions would be  
17 uncomfortable with the increase, but I think it would be  
18 a good question to ---

19 MR. DIRCKS: I think what the situation is is  
20 that functions are going out and perhaps the regions  
21 feel as though to accomplish those functions they would  
22 like as many resources as allocated plus some more. The  
23 headquarters offices feels as though functions are going  
24 out and whether all those resources are really tied to  
25 those functions, that is the other question.

1 I don't think anyone is comfortable in any of  
2 this budget. It is a right budget and everybody has  
3 some discomfort in the whole thing. I think everyone  
4 has strongly seen that the misery is shared equally  
5 among the offices.

6 CHAIRMAN PALLADINO: Incidentally, the next  
7 chart relates to regional operations if you want to have  
8 that in front of you as you discuss this point.

9 COMMISSIONER AHEARNE: Let me ask Jim a  
10 follow-up question to Tom's question. For many years  
11 the regions were basically I&E operations, and during  
12 much of that time, as I recall, the Regional Directors  
13 believed that the amount of people that they had did not  
14 enable them to meet all of the required inspection in  
15 the sense that the inspection modules and there was  
16 always a shortfall in the effort.

17 You are now picking up a number of other  
18 functions. Can you give me a rough idea, are there  
19 additional resources that are being given to the  
20 regions, and whether you can speak for regions in  
21 general or just your own region, are the amount of  
22 resources being given the regions to cover the functions  
23 that are being transferred of the same character as used  
24 to be true of the I&E resources? In other words, are  
25 you getting more functions than you have people to cover

1 them?

2           CHAIRMAN PALLADINO: Jim, you might also point  
3 out that you have been coordinating the regional  
4 activities so you can speak for more than your region.

5           MR. O'REILLY: Yes. I have been selected by  
6 the Regional Administrators to represent them and I will  
7 speak for all the regions.

8           COMMISSIONER AHEARNE: Yes, I know.

9           MR. O'REILLY: The issue of resources for the  
10 additional functions were, as you would expect,  
11 discussed extensive and aggressively with the Program  
12 Offices and between all the Regional Administrators and  
13 the Program Offices at several meetings and at different  
14 staff levels.

15           We originally had requested additional  
16 resources to conduct those functions that were being  
17 transferred. In the process of educating ourselves with  
18 those functions it was decided that we would, with the  
19 concurrence of all the Regional Administrators, and due  
20 to our detailed lack of knowledge of a lot of things  
21 that resource intensive, that we would accept their  
22 labor rates and what resources they were providing to  
23 perform that function and they would put in a little  
24 extra to help in the training of that.

25           So what we end up taking from the Program



1 Offices is the resources that were budgeted for that  
2 function. So we are getting resources from headquarters  
3 that they think are equitable and that they would have  
4 used if they had planned it.

5           Now whether or not they are worth that  
6 exactly, or whether or not in some areas that the  
7 absolute responsibility for that function may be delayed  
8 a month or a period of time, that may be a parameter  
9 that can put into the equation when we assume that  
10 function. But we do accept the numbers that provided  
11 for those functions and those are the numbers that the  
12 Program Offices have provided.

13           COMMISSIONER ASSELSTINE: Even assuming that  
14 that is correct, that these in fact are the resources  
15 that you will need to carry out these transferred  
16 functions, how realistic is it to assume that the  
17 regions are going to be able staff up with these  
18 increases that we are talking about for '83 and '84 and  
19 that the headquarters offices are going to be able to  
20 absorb those reductions within the '83 and '84 time  
21 frame?

22           MR. DIRCKS: I alluded to that earlier. That  
23 is a tough assignment. What we have done is try to  
24 identify people in headquarters who would be willing to  
25 move to the regions.



1                   COMMISSIONER ROBERTS: How much success have  
2 you had in that effort?

3                   MR. DIRCKS: I think at last count we had 168  
4 people that expressed a desire to move to regions. The  
5 next questions are, one, are they they right skills,  
6 and, two, are they the right regions. We have had a  
7 large number of people volunterring for almost no  
8 openings in Region V.

9                   (Laughter.)

10                  COMMISSIONER ASSELSTINE: What about Region  
11 III?

12                  MR. DIRCKS: There is some selling to be done  
13 on that point.

14                  COMMISSIONER AHEARNE: For those in the  
15 audience who don't know, Region V is outside of San  
16 Francisco and Region III is outside of Chicago.

17                  MR. DIRCKS: So there is this effort to match  
18 it. Also, what we have done in order to manage our  
19 total FTE problem again, and if we could pull off a  
20 one-for-one move from headquarters to regions and not go  
21 to outside recruiting then we would go a long way to  
22 solving our FTE problem, is we put out instructions  
23 recently in regard to hiring people in the regions is  
24 that they should make every effort to pick headquarters  
25 people for any openings in their regional offices, and I

1 think that was accepted quite willingly and strongly by  
2 the Regional Administrators because there they are  
3 picking up skills that can be used directly in the  
4 program.

5           COMMISSIONER ASSELSTINE: But you really are  
6 talking about fairly substantial numbers, particularly  
7 if you look at the '82 to '84 time frame, in each of the  
8 three major program offices, and I just wonder how  
9 realistic it really is to believe that you are going to  
10 get those kinds of resources out to the regions and get  
11 the reductions here? Are we really heading towards a  
12 situation where we are transferring the functions and  
13 yet the people aren't going to be here?

14           MR. DIRCKS: I think what we would have to do  
15 is take a hard look at the movement of the fuctions if  
16 we can't get the people out there.

17           COMMISSIONER GILINSKY: Well, you are talking  
18 about over 200 people in those two years. Now what  
19 fraction of those do you think will come from  
20 headquarters?

21           MR. DIRCKS: This is all part of that staffing  
22 plan we are working on. I mentioned these 168  
23 candidates that do want to be considered for regional  
24 offices. We are going through that list now to see  
25 where the skills can be applied and whether the

1 geographic preference I mentioned ---

2           COMMISSIONER GILINSKY: In other words, if you  
3 get let's say optimistically a hundred out of  
4 headquarters, are we then talking about firing 100  
5 people as a result of this?

6           MR. DIRCKS: I think what we would like to do  
7 then is to go back and take a look at whether we should  
8 look at the pace of functional distribution. When we  
9 talked about regionalization a couple of months of ago,  
10 I said we would like to accomplish this without a  
11 substantial amount of personal hardship or firings or  
12 anything else like that.

13           It is a problem that I think we can control  
14 because the movement of the functions is within our  
15 control. If we just can't get the people out there,  
16 then we will look at the pace of the functional  
17 distribution and we can come back and talk about it then.

18           COMMISSIONER AHEARNE: When you say that you  
19 had a large number of people express an interest in  
20 moving to the regions, was that an interest in moving to  
21 the regions or an interest in competing for the few  
22 management positions?

23           MR. DIRCKS: No, a large number of  
24 administrative clerical people wanted to go to the  
25 regions. We had a number of engineering skills that

1 wanted to go to the regions. We are moving ahead with  
2 the staffing of the Denver office and there are a number  
3 of people who want to move to Denver. So what I think  
4 we will try to do is take it step by step and move it  
5 along that line.

6 CHAIRMAN PALLADINO: Some like it hot and some  
7 like it cold.

8 (Laughter.)

9 COMMISSIONER ASSELSTINE: But you are not yet  
10 at the point where you can say that you can match with a  
11 certain percentage of headquarters people the kind of  
12 skills you are going to need to perform those functions?

13 COMMISSIONER ASSELSTINE: No, we are not at  
14 that step. I think a lot of that will be addressed in  
15 this staffing plan we are coming to the Commission with  
16 in late August.

17 COMMISSIONER ASSELSTINE: But this has the  
18 potential for complicating, perhaps even drastically  
19 complicating the problem that the Chairman described  
20 earlier, which is to get down to the FTE level.

21 MR. DIRCKS: There are a lot of forces  
22 complicating this process, the overall reduction in  
23 ceiling, the movement of functions to the regions and  
24 the slow-down of attrition rate. It is a very complex  
25 problem for us to solve.

1           CHAIRMAN PALLADINO: And it isn't only a  
2 question of numbers, but matching the required talents  
3 by places.

4           MR. DIRCKS: Right.

5           COMMISSIONER ASSELSTINE: Yes.

6           MR. DIRCKS: You see Region V didn't pick up  
7 much in terms of new functions. That region had been  
8 moving more slowly. Regions I, II and III have moved  
9 much more aggressively into this area so that we didn't  
10 have that number of engineering skill openings.

11           COMMISSIONER AHEARNE: It is interesting the  
12 way you have just phrased it. Are you saying that the  
13 transfer of functions is more a pull from the regions  
14 than it is from the ---

15           MR. DIRCKS: No, it is the current array of  
16 programs already out in the regions. Region V is a  
17 small office and ---

18           COMMISSIONER AHEARNE: I had though what goes  
19 out when was more a decision that had been made by  
20 headquarters as opposed to ---

21           MR. DIRCKS: It is a headquarters decision,  
22 but I wouldn't describe it as a unilateral decision. I  
23 think it is a decision that has been worked out between  
24 the Regional Administrators and the headquarters program  
25 offices. The plant that I guess we will come to

1 eventually, and you will see as we go from '82, '83, '84  
2 and '85 that there are big blocks of programs moving out.

3           Region V, for example, doesn't have much of a  
4 direct materials licensing program. Most of those are  
5 agreement states so you don't staff that up for specific  
6 licenses.

7           CHAIRMAN PALLADINO: Well, Chart No. 3 shows  
8 the amount of resources for NRC programs that will be  
9 placed in the regions and, as you will note, the  
10 inspection enforcement program and to a lesser extent,  
11 the reactor regulation program will constitute the  
12 largest amount of resources in the regions.

13           COMMISSIONER GILINSKY: Let's see, if one to  
14 take this as a plan which will be followed if other  
15 things work out, or what?

16           CHAIRMAN PALLADINO: What do you mean?

17           COMMISSIONER GILINSKY: Well, I mean we are  
18 planning to move so many people and ---

19           CHAIRMAN PALLADINO: Well, this is a plan  
20 which we will try to implement.

21           MR. DIRCKS: This is a budget which is sort of  
22 indicating where we want to go for the next few fiscal  
23 years. You control budgets by allotments and that is  
24 how when we come up to that fiscal year we will control  
25 it that way.

1           COMMISSIONER AHEARNE: It really isn't at this  
2 stage, is it, Bill, a plan to move people, but it is a  
3 plan where the staff years are supposed to be located?

4           MR. DIRCKS: That is right.

5           MR. BARRY: Absolutely.

6           COMMISSIONER AHEARNE: And if you can move  
7 people that would be preferable, but still this is your  
8 plan of where the staff years are.

9           MR. DIRCKS: That is right.

10          COMMISSIONER GILINSKY: Well, but if the staff  
11 years are going to be in the regions, then maybe you  
12 will move people or maybe you will fire people.

13          COMMISSIONER AHEARNE: That is right. That is  
14 what I am saying.

15          CHAIRMAN PALLADINO: Or maybe some things  
16 don't get transferred to the regions.

17          COMMISSIONER GILINSKY: That is what I am  
18 asking. It is going to get reviewed after September at  
19 you take a look at this?

20          CHAIRMAN PALLADINO: Oh, yes.

21          MR. DIRCKS: You will look at the staffing  
22 plan and as you come up to each fiscal year you are  
23 talking about allotments there where you actually allot  
24 resources to accomplish your objectives.

25          COMMISSIONER GILINSKY: But that it something



1 we cannot foresee.

2           CHAIRMAN PALLADINO: Well, I think if  
3 circumstances will permit, I would like to try to have a  
4 quarterly review by the Commission on where we are with  
5 regard to some of our budget activities and program  
6 plans.

7           COMMISSIONER GILINSKY: I am a little  
8 concerned about this shifting around people who are  
9 supposedly no longer effective. People don't just  
10 become ineffective. They are badly managed and badly  
11 trained and it means the managers have not looked ahead  
12 at the needs of the agency. To just casually let people  
13 go as a consequence of that is, I think, something I  
14 don't want to do.

15           COMMISSIONER AHEARNE: Vic, nobody has said  
16 anything about that. You are the only one who has said  
17 anything about casually letting people go. This is a  
18 plan over several years to carefully try to work through  
19 moving functions out. They have gone out and asked who  
20 would like to move and they are trying to manage this.  
21 It is irresponsible to use the word "casual." This  
22 isn't casual. They are trying very carefully to deal  
23 with the people problem and take consideration of all  
24 the people on the staff.

25           COMMISSIONER GILINSKY: I am trying to



1 understand what the commitment to these numbers is and  
2 what it depends on. Now Bill said earlier that if  
3 things don't work out then maybe some of the functions  
4 won't get moved out at the same rate that is planned  
5 here. I am trying to understand what the Chairman has  
6 in mind.

7           CHAIRMAN PALLADINO: The Chairman has in mind  
8 that these are the targets for planning purposes and the  
9 allocation of the way the resources would be if we  
10 achieved that plan. But, Vic, we have to work toward  
11 it. You don't all of the sudden come into conformance  
12 with the plan without a very carefully considered  
13 process, and this is why the staffing plan I view has a  
14 very important adjunct to the budget planning process.

15           COMMISSIONER ASSELSTINE: Do any of the  
16 Program Office Directors have any comments they want to  
17 make on this issue?

18           MR. DAVIS: Well, as a Program Office  
19 Director, I look upon the total resources assigned to  
20 that program as something I am concerned about, whether  
21 they are here or whether they are at the region.

22           I will be moving out I guess the first large  
23 contingent to the Denver office, and the way it is  
24 planned how it should meet this schedule here. But we  
25 are being very careful in looking at the personal

1 situation of individuals. I have already talked with  
2 Bill and with Collins in Dallas, and if in fact we can't  
3 meet this schedule, then we may slide another year to  
4 pull people out there. But right now I am fairly  
5 optimistic we can meet the schedule.

6           The way I look at it from my program  
7 responsibilities, there is a certain pool of resources,  
8 some here in headquarters with me and some out in the  
9 regions, and I am concerned about all of them in meeting  
10 that. So consequently I am very concerned with I send  
11 stuff, for example, to Jim's region that he knows what  
12 the guidance is for it, that he has got ample resources  
13 to do it, and if he doesn't I will people here to back  
14 him up and decide things.

15           My impression is it is a very deliberative  
16 process that I would anticipate will take about five  
17 years to do.

18           COMMISSIONER GILINSKY: Well, except over here  
19 it looks like there is going to be a pretty rapid  
20 movement in two years.

21           MR. DAVIS: In the front end there is ---

22           COMMISSIONER GILINSKY: That is what we are  
23 talking about. Now I am all for the agency configuring  
24 itself in a more efficient and sensible manner, but we  
25 are also talking here about staff reductions where

1 things don't quite fit. Now that, in my view, reflects  
2 a certain lack of forethought on the part of the  
3 management of this agency and it involves in each case,  
4 it seems to me, a certain element of management failure.

5 CHAIRMAN PALLADINO: Wait a minute. I have to  
6 step in on that. The regionalization was a decision  
7 made by the Commission. The plan by which it was to be  
8 done was made available to all the Commissioners and the  
9 comments that were received I think were reflected in  
10 the final version. This is a plan to try and achieve an  
11 objective. It is not the manpower or staff-power  
12 transfer plan. That is what the staffing plan is  
13 intended to accomplish.

14 So I think we should not mix up what the  
15 program target is and how we are going to get there. I  
16 don't think we are going to accomplish it by a step  
17 change, as this implies in all cases, and it is going to  
18 take some adjustment. But any time you make this kind  
19 of transition you are going to face transitional  
20 problems and that is what the staffing plan is to  
21 address.

22 COMMISSIONER GILINSKY: But you are not  
23 talking about a general goal or distant goal, you are  
24 talking about a specific plan ---

25 CHAIRMAN PALLADINO: For fiscal '83 and fiscal

1 '84.

2           COMMISSIONER GILINSKY: --- for over a 200 man  
3 shift in two years, and that is fine if we can do it in  
4 a reasonable way. But I also took your earlier remarks  
5 to mean that there are certain stagnant areas of the  
6 Commission that will have to be pared down.

7           CHAIRMAN PALLADINO: They are both involved in  
8 the staffing plan.

9           COMMISSIONER GILINSKY: Now if that is so, it  
10 seems to me there is a certain element of management  
11 accountability that has got to be there, too. How did  
12 these areas become stagnant? People just don't become  
13 stagnant on their own.

14           MR. DIRCKS: You have got to step back and  
15 think about what you are talking about. I mean, when we  
16 talk about skills being stagnant, the agency's mission  
17 has changed over time. I think Harold has mentioned  
18 that as you move from a construction permit review  
19 agency to an OL agency ---

20           COMMISSIONER AHEARNE: And then to an  
21 inspection agency.

22           MR. DIRCKS: --- there are certain skills  
23 that were involved in that effort that may not longer be  
24 needed. It is incumbent upon the agency then to find  
25 other positions for those people.

1           COMMISSIONER GILINSKY: Yes, but these things  
2 were evident for the last several years.

3           MR. DIRCKS: So what are you saying, that we  
4 should have fired people a couple of years ago when we  
5 needed the skills?

6           CHAIRMAN PALLADINO: Well, wait a minute.  
7 They may have been evident a couple of years ago, but  
8 they don't come into effect until you actually get to  
9 the situation that we are in. Now that doesn't mean  
10 that you don't plan for that.

11          COMMISSIONER GILINSKY: I guess I don't know  
12 what that means.

13          CHAIRMAN PALLADINO: Well, that means you may  
14 assume five years ahead that you are going to come to a  
15 stage where you are no longer reviewing construction  
16 permits and you are reviewing OL's, but still you are in  
17 that process and you need those people and it does take  
18 a planning effort to get there.

19          COMMISSIONER GILINSKY: Well, it means you  
20 have allowed them to go up a blind alley.

21          CHAIRMAN PALLADINO: I don't follow that.

22          MR. DAVIS: May I interject. In our  
23 safeguards area we recognized some years ago that there  
24 would perhaps be a turndown in safeguards. What we have  
25 been doing for the last couple to three years is of

1 course we hire to replace attrition, but when we hire  
2 people in safeguards now we have been focusing on hiring  
3 people with what we call transferrable skills. So that  
4 they are not just a narrow safeguards expert, but they  
5 have a broader base of skills so when their job may  
6 disappear in safeguards they would at least be partially  
7 qualified and trainable for a job somewhere else. That  
8 has been a very deliberate process in the area of  
9 safeguards.

10                   COMMISSIONER GILINSKY: Well, I think that is  
11 commendable.

12                   MR. DIRCKS: I think that is true in most of  
13 the program offices. They are all taking a look at  
14 where the agency is going to be, at where it is now and  
15 where it is going to be in a couple of years.

16                   Harold, you may want to speak to your  
17 situation. I mean each program has its own set of  
18 problems and each Program Manager is addressing them.

19                   MR. DENTON: On that point I guess it was two  
20 years ago that when we reorganized we reduced the  
21 environmental group from a division status down to a  
22 branch status and we are down now to just a handful of  
23 ecologists who do the remaining environmental impact  
24 statements. I think there are only two left in that  
25 group who you would call true ecologists. The others

1 have skills which are transferrable. So we did see this  
2 trend coming.

3 I guess on the broader question you would ask  
4 is the budget adequate. I think it is adequate to do  
5 the functions that are assigned to NRR in those years.  
6 The big question is to mate the FTE with the resources.  
7 I am dropping about 40 or 50 people each year beginning  
8 at the end of this current year, and in order to do that  
9 I am dropping 40 or 50 in FTE's. In order to do that I  
10 have got to drop 100 people in the year because of the  
11 way attrition goes.

12 Some of these I can accommodate by people who  
13 want to transfer voluntarily to a region. The other  
14 will be through attrition. But it will involve a lot of  
15 detailed managing to try to make sure that we have got  
16 the right skills for the right functions as this  
17 attrition continues out a while.

18 I foresee that in our main line skills, like  
19 the Division of Systems Integration and the Division of  
20 Engineering that we will be dropping like 30 percent of  
21 that staff over the next year because that is the area  
22 that does casework reviews and do some of the operating  
23 actions. With the drop in casework and the shifting of  
24 functions to the regions, they are the ones whose  
25 functions are not needed the way they were this year.



1 So it really is a job of managing the individuals to get  
2 to do the functions that the agency has to perform.

3           CHAIRMAN PALLADINO: I think associated with  
4 that is a necessary to avoid oscillations. For example,  
5 you say well, to go down 40 you have to perhaps have  
6 twice as many go. Well, we can't afford that because in  
7 the next year, if we are level, we will level at too low  
8 a level and we don't want to go down and then have to go  
9 up. This is why the staffing plan I think has to be  
10 very carefully considered. It will disclose problems in  
11 meeting the FTE's for particular years and that would  
12 form a realistic basis to go and maybe ask for ceiling  
13 changes at that particular time. But I think until we  
14 study it, I don't know that we really can respond to all  
15 the questions on this particular item.

16           COMMISSIONER AHEARNE: Harold, talking about  
17 NRR, in the past in order to meet some of the major  
18 workload problems we took two actions in NRR. One was  
19 to go out and use what I guess we call lab loaners.  
20 These were resources primarily out of the national labs  
21 to assist us in licensing review actions primarily after  
22 TMI. A second was to hire groups such as Franklin  
23 Institute to also do selected subsets of some of the  
24 licensing reviews.

25           In both of those cases the people that were



1 being hired were being hired under contract to do the  
2 type of work that the staff in the past had done and  
3 could do. Now in your retrenchment are you first  
4 retrenching on all of that contract work?

5 MR. DENTON: That is what we did in the  
6 environmental arena because we had skills available here  
7 to do the work and people weren't leaving that area. So  
8 we tended to pull it back in where we had it. We have  
9 tried to maintain a balance here so that we don't go  
10 down one year and up the next year, but NRR is going  
11 down each of these years by about 50. So we have tried  
12 to accommodate that sort of drop and then use the  
13 dollars so that we maintain the staffing level  
14 monetarily downward.

15 COMMISSIONER AHEARNE: But certainly it is  
16 preferable to try to handle the fluctuation by contract.

17 MR. DENTON: Yes, and that is what we do to  
18 keep year-to-year variations from people. We tried to  
19 accommodate the drop that we think we can do with a  
20 transfer of people and attrition and then use the  
21 contracts as the shock absorbers.

22 CHAIRMAN PALLADINO: Any more questions?

23 COMMISSIONER GILINSKY: What are those reactor  
24 regulation people going to be doing in the regions?

25 MR. O'REILLY: They break it down further on.

1 MR. DENTON: Further on there is a breakdown.

2 COMMISSIONER GILINSKY: You are going to break  
3 each of these down did you say?

4 CHAIRMAN PALLADINO: Perhaps we should go to  
5 the next chart. I think the next three charts all refer  
6 to reactor regulation. Chart 4 shows the total  
7 resources in terms of staff years and program support  
8 for reactor regulation at headquarters and in the  
9 regions.

10 COMMISSIONER GILINSKY: Well, are these people  
11 going to continue being in reactor regulation?

12 CHAIRMAN PALLADINO: This is now showing  
13 reactor regulation as a function.

14 COMMISSIONER GILINSKY: Oh, I see, as a  
15 general function.

16 CHAIRMAN PALLADINO: Also listed are the major  
17 planned accomplishments to be implemented at  
18 headquarters on this chart. I think you can see the  
19 staff level ---

20 COMMISSIONER GILINSKY: When you say reactor  
21 regulation, I take it you mean design review because it  
22 doesn't include inspection.

23 CHAIRMAN PALLADINO: It does not include  
24 licensing actions of all kinds.

25 COMMISSIONER GILINSKY: Is it licensing

1 actions? Is that the idea?

2 MR. BARRY: What it means is all of the items  
3 that were totally under Harold Denton.

4 COMMISSIONER GILINSKY: What is the functional  
5 grouping?

6 MR. O'REILLY: In 1982, Commissioner, this  
7 relates to assignments to the regions, and Region III  
8 for some of the operator licensing examination  
9 functions. In 1983 it means throughout the whole year  
10 that we should end up that year with Regions II and III  
11 handling the operating licensing examination functions  
12 and testing. It also will mean for all regions ---

13 COMMISSIONER GILINSKY: Testing of reactor  
14 operators?

15 MR. O'REILLY: Reactor operators.

16 CHAIRMAN PALLADINO: Incidentally, these are  
17 listed on the next Chart 5. The reactor regulation  
18 activities of regions are listed.

19 COMMISSIONER GILINSKY: Well, we don't have to  
20 take them out of order.

21 CHAIRMAN PALLADINO: No, that is all right.

22 MR. O'REILLY: It also would include the  
23 manpower related to starting off in '83.. We are doing  
24 that now, but certainly in '83 we are doing a relatively  
25 large number of licensing actions and amendments that

1 NRR has given to the regions in according with the  
2 commitment made, that we would actually conduct them in  
3 '82, licensing would review them and formalize them, and  
4 sometime in '83 and '84 the regions would be assuming  
5 some of those functions for specific plants.

6 COMMISSIONER ASSELSTINE: How is the division  
7 made, particularly for those operator reactor licensing  
8 actions between those that will be done in the region  
9 and those that will be done in headquarters?

10 MR. O'REILLY: For operator?

11 COMMISSIONER ASSELSTINE: For operating  
12 reactor licensing actions, the first ones on that chart.

13 MR. O'REILLY: The ones in this year that were  
14 selected by NRR are the type they believe that the  
15 regions could handle and it wasn't left just as that  
16 stage. The regions then looked at this list to see  
17 whether or not we could handle those types with the  
18 types of people that we had. So we went back and for on  
19 that and we ended up assuming a workload of  
20 approximately 550 licensing actions in fiscal year '82.

21 COMMISSIONER AHEARNE: '82 or '83?

22 MR. O'REILLY: Well, we have received them but  
23 we haven't completed them. In other words, we haven't  
24 really started. Well, we have done some, but we haven't  
25 really started in production in performing these actions.

1           MR. DENTON: It was the intent to match the  
2 skills and the resident inspector's knowledge and pick  
3 out amendments which required the type of skills that  
4 were already in the region that they could accommodate.  
5 They tended to be more of the specific plant  
6 requirements or ones that were related to operations  
7 like procedures, for example, that were easier for the  
8 region to get to than headquarters.

9           We tended to keep the big technical areas like  
10 steam generators, of working those back here. I think  
11 that is the general pattern we foresee, which is in  
12 areas where the technology is unsettled, we don't have a  
13 standard review plan developed and don't know quite what  
14 we want to do, that we will tend to work it here. Once  
15 we have established an acceptable way to resolve a  
16 technical problem, the regions then can pick that up and  
17 follow those kinds of guidelines.

18           COMMISSIONER AHEARNE: Are you saying though  
19 that the 500-plus actions are being handled by the seven  
20 staff years?

21           MR. O'REILLY: That is part of the  
22 allocation. The major function of those seven comes  
23 from the operator licensing functions in Region III.

24           COMMISSIONER AHEARNE: So that the 500-plus  
25 actions are being handled by staff years that aren't

1 shown on this?

2 MR. O'REILLY: Yes, sir, but they are not all  
3 going to be completed.

4 COMMISSIONER AHEARNE: I recognize that.

5 MR. O'REILLY: We just received those packages  
6 within the last month.

7 COMMISSIONER AHEARNE: But that type of action  
8 for '83 and '84, are the staff years for that type of  
9 action covered on this chart?

10 MR. O'REILLY: Yes, sir. They are in the 45,  
11 97 and 135.

12 COMMISSIONER AHEARNE: So it is only in the  
13 '82 number that they are not?

14 MR. O'REILLY: Yes, sir.

15 COMMISSIONER AHEARNE: When you have reduced  
16 the inventory to an acceptable level by FY-85, what is  
17 the acceptable level?

18 MR. DENTON: What we have in mind is something  
19 like on the order of 10 or 12, or not more than 10 or 12  
20 per plant that are outstanding; in other words,  
21 recognizing there is some stream of amendments that are  
22 expected to be coming in. It won't be zero. We won't  
23 turn it around exactly, but it would be just a handful  
24 of amendments on each plant that are in the process of  
25 being acted on as opposed to the large numbers now per

1 plant.

2 CHAIRMAN PALLADINO: The ideal would be to get  
3 to the point where the incoming equal the outgoing.

4 MR. DENTON: That is right.

5 CHAIRMAN PALLADINO: But right now we have got  
6 a backlog of several thousand or maybe twice several  
7 thousand.

8 COMMISSIONER ASSELSTINE: Of that backlog  
9 about how many are waiting for NRC staff resources to be  
10 available to work on them and how many are waiting upon  
11 other information to come in from the licensees?

12 MR. DENTON: Going back a year or two it was  
13 largely the lack of NRC staff resources to work on  
14 them. We haven't tried to break it down recently, but  
15 there is very little backlog any more, if any, that is  
16 not being worked on within either the staff or by our  
17 contractors. I think the principal hold-up now in  
18 making further strides in reducing it is getting the  
19 material from the licensee in the first place.

20 Jessie, do you have any better data than that?

21 MR. FUCHES: Not any specific numbers on the  
22 total.

23 MR. DENTON: I noticed through the end of May  
24 we had processed almost 2,000 actions in that year. The  
25 reason we weren't accelerating is on some of the areas



1 the licensees just did not move on, such as SPPS, for  
2 example, which is an outstanding action and either we  
3 hadn't provided the guidance in that area for one reason  
4 or another or they hadn't been able to design equipment  
5 to meet the guidance.

6           COMMISSIONER AHEARNE: In a related area to  
7 this, in regional operation, we have got a large amount  
8 of information which was provided when the Chairman sent  
9 his presentation to us. Some of it has program office  
10 requests listed and then there is the final  
11 recommendation.

12           In the areas of the region program office  
13 requests, is that the regional summary or is that what  
14 the headquarters program office thought was required to  
15 handle that function?

16           MR. BARRY: That was the regional request. It  
17 was on the first go when they came in, what they asked  
18 for.

19           COMMISSIONER AHEARNE: What they asked for  
20 having been given a set of the functions that we are  
21 going to be transferring?

22           MR. BARRY: Yes, sir.

23           COMMISSIONER AHEARNE: There is one in  
24 specific I wanted to ask about. In reactor operator  
25 licensing, it seemed that the regions asked for a

1 substantially larger number of people than the final  
2 recommendation. I think in one of the back-up materials  
3 they asked for 60.8 staff years in '84 and ended up with  
4 36.8 and 61.7 staff years in '85 and ended up with 40.7.

5           Is there any particular reason why there is  
6 such a large difference between what the regions thought  
7 were necessary for operating licensing and the Chairman  
8 ended up giving them?

9           MR. DONNELLY: I can answer that I believe.  
10 The process by which we arrived at these numbers evolved  
11 over a couple of months. The first meetings we had were  
12 joint meetings between the program offices in the  
13 regions and we tried to get some workload and staff  
14 estimates to come up with the first numbers. The ones  
15 we used were the first ones provided.

16           Subsequently, the number of actions in  
17 operator licensing and the amount of staff time required  
18 to accomplish those both came down. The numbers that  
19 are now in the recommended column do reflect what our  
20 request would have been had we had that information  
21 earlier.

22           COMMISSIONER AHEARNE: Now are you saying that  
23 there was a revision?

24           MR. DONNELLY: Yes.

25           COMMISSIONER AHEARNE: Was that because NRR

1 had not provided an estimate of the number of actions  
2 and the time required for action?

3 MR. DONNELLY: They did provide it, but they  
4 provided it with a caveat that this was their early  
5 draft numbers and it would be revised later.

6 COMMISSIONER AHEARNE: Are the revisions based  
7 based upon a policy modification or just a better  
8 estimate of past experience?

9 MR. DONNELLY: I will have to turn to NRR for  
10 that.

11 MR. FUCHES: The revision was basically based  
12 on changes in some of the labor rates based on past  
13 experience, not in essence changing the number of  
14 licensing actions, but changing the workload based on  
15 newer information that we were developing at the time we  
16 gave the preliminary estimate.

17 COMMISSIONER AHEARNE: So it is roughly the  
18 same number of licensing actions ---

19 MR. FUCHES: Right.

20 COMMISSIONER AHEARNE: --- but almost a 30  
21 percent reduction in the amount of effort required to do  
22 that licensing action.

23 MR. DONNELLY: Jessie, I don't believe in  
24 operating licensing that the number of actions to be  
25 taken stayed the same. I think they did come down. The

1 license amendments for operating reactors came down ---

2 MR. FUCHES: Right.

3 MR. DONNELLY: --- but he is asking about  
4 operator licensing.

5 MR. FUCHES: That is true, they did come down  
6 some, but not much on requal. based on the latest  
7 information we had on plans for requal. We estimated  
8 the number of requalification site visits that would be  
9 required. We also had made an examination of the labor  
10 rates for NRR based on historical data and that changed  
11 some of the labor rates also.

12 COMMISSIONER AHEARNE: So the reduction is an  
13 improvement in the data but there are no policy changes  
14 reflected.

15 MR. FUCHES: That is correct.

16 CHAIRMAN PALLADINO: I should mention, John,  
17 with regard to the regional budget estimates, it did  
18 involve a series of meetings between headquarters people  
19 and the regional people and there was a certain amount  
20 of negotiation, but the numbers that are in here I  
21 didn't change because I did become aware of all the  
22 extensive involvement that the regions and the staff  
23 would have. So these were not reductions what the  
24 negotiated settlements were.

25 COMMISSIONER AHEARNE: The reason I asked the

1 question the way I asked it though is the charts I have  
2 say "office recommendation."

3 CHAIRMAN PALLADINO: I am just explaining. On  
4 others I did impact.

5 (Laughter.)

6 CHAIRMAN PALLADINO: But I felt this seemed to  
7 be so reasonably done I let it be.

8 Let's see, did you want to go back over Chart  
9 4.

10 COMMISSIONER ROBERTS: Well, I have a question.

11 CHAIRMAN PALLADINO: Go ahead, Tom.

12 COMMISSIONER ROBERTS: What is the basis for  
13 the assumed two new unresolved safety issues each fiscal  
14 year?

15 CHAIRMAN PALLADINO: I guess it is somewhat  
16 arbitrary based on experience. I will let Harold give  
17 his point of view.

18 MR. DENTON: It is based on the experience in  
19 the number of abnormal occurrences that we have in a  
20 number of plants and what our tendency has been to have  
21 problems that we collectively think ratè meeting the  
22 definition of USI's. It is down from what we have  
23 actually done in the past. So our record is probably  
24 more like four or five per year that have been decreed  
25 to be USI's So it presumes that we are not going to

1 have a spade of major problems such as Browns Ferry or  
2 Rancho Seco type events that lead to the development of  
3 USI's.

4 COMMISSIONER ROBERTS: I am sure you  
5 understand my concern. Just because we write this down,  
6 I don't want us finding two every year.

7 (Laughter.)

8 COMMISSIONER ASSELSTINE: And conversely, just  
9 because we write it down, if there are more than two ---

10 (Laughter.)

11 COMMISSIONER GILINSKY: Yes, that cuts both  
12 ways.

13 MR. DENTON: It is just a planning wedge in  
14 that sense.

15 COMMISSIONER ROBERTS: I am not criticizing.  
16 I just want to understand the basis.

17 MR. DENTON: We have tried also in this budget  
18 to resolve all USI's within three years because there  
19 has been a tendency for some issues to become USI's and  
20 drag. So we have set up actually what I would call a  
21 mini-Beville Report for just USI's to assure that we get  
22 those worked off in a timely period of time.

23 CHAIRMAN PALLADINO: Well, while we have this  
24 chart on the screen I might call your attention to the  
25 fact that the total staff levels increase slightly in

1 fiscal '83 and '84 and then decrease in '85, and the  
2 program support funds increase in '83 and then continue  
3 to drop through '85 to below the current levels.

4 Then also listed at the major planned  
5 accomplishments to be implemented at headquarters.  
6 Later we will have further a breakdown by decision units.

7 COMMISSIONER AHEARNE: There I have a couple  
8 of questions.

9 CHAIRMAN PALLADINO: Well, we have been  
10 through Chart 5, the regions ---

11 COMMISSIONER GILINSKY: Let me ask you, what  
12 are the number of persons scheduled for the CRBR.

13 CHAIRMAN PALLADINO: I think that is going to  
14 come up.

15 COMMISSIONER GILINSKY: Well, if that is going  
16 to come up I can wait.

17 COMMISSIONER ASSELSTINE: What happens to  
18 those people and that money if it gets cancelled?

19  
20 CHAIRMAN PALLADINO: I think that is a  
21 reasonable question.

22 MR. BARRY: You mean just NRR or in total in  
23 the agency.

24 COMMISSIONER ASSELSTINE: In total in the  
25 agency.



1           COMMISSIONER GILINSKY: Although I would be  
2 interested to know how it breaks down.

3           MR. DIRCKS: In fiscal '83 for the total  
4 agency it is 39. Do you want to know where they are?

5           CHAIRMAN PALLADINO: Yes, I think it might be  
6 well to have that.

7           COMMISSIONER GILINSKY: That is persons or  
8 equivalent man-years?

9           MR. DIRCKS: 39 FTE's.

10          COMMISSIONER GILINSKY: So it would be some  
11 larger number of persons, part of whom are working on  
12 this project?

13          CHAIRMAN PALLADINO: That is the total staff  
14 years.

15          MR. DENTON: I think that is the full-time  
16 equivalent in staff-years.

17          MR. DIRCKS: Yes, that is FTE's.

18          COMMISSIONER GILINSKY: Do you have any  
19 estimate of how many persons would actually be involved  
20 full or part time?

21          MR. DIRCKS: First let me give you a  
22 breakdown by the offices. In fiscal '83 23 in NRR, 2 in  
23 Research, 3 in ELD, 2 in NMSS, 5 in the regions, 2 in  
24 the Licensing Board Panels and 2 in ACRS.

25          COMMISSIONER GILINSKY: Let's see, the five in

1 the regions are in that particular region, Region II.

2 MR. O'REILLY: They are in Region IV for the  
3 vendor aspects of it and Region II for programmatic  
4 oversight inspection and resident assignment.

5 COMMISSIONER GILINSKY: Do you have any kind  
6 of a rough estimate, and I realize it is difficult to  
7 make, on how many people would actually be involved full  
8 or part time?

9 MR. DENTON: We have 12 people in the CRBR  
10 program office exclusively working on CRBR, and the  
11 other 10 full-time equivalents are pieces of people  
12 spread out in the organization.

13 COMMISSIONER GILINSKY: So you would double  
14 that number roughly?

15 MR. DENTON: You mean the total number of  
16 people?

17 MR. DIRCKS: People who may be involved.

18 MR. DENTON: Oh, I think it is double or  
19 triple.

20 COMMISSIONER AHEARNE: You have 12 right now.

21 MR. DENTON: We have 12 full-time people and  
22 then we were counting on an additional 10 from the  
23 supporting technical groups.

24 COMMISSIONER AHEARNE: Now is that a level  
25 office in the budget?

1           MR. DENTON: It is roughly level through '83  
2 and then cuts in half by '84. So it assumes that we  
3 have completed the construction permit review phase.

4           MR. DIRCKS: In '84 that number of 39 I gave  
5 you goes down to 22 and then in '85 it is scheduled for  
6 12.

7           MR. DENTON: In response to your question of  
8 what would happen if those people weren't needed for  
9 that function, I think it just exacerbates your  
10 personnel management difficulties that we discussed.  
11 There are people then where there is no function to go.

12           CHAIRMAN PALLADINO: It may also depend on the  
13 instructions we get from the Congress. If they cancel  
14 CRBR and they say, well, we want an LMFBR longer-range  
15 study, then that would change our direction.

16           COMMISSIONER ASSELSTINE: Yes.

17           COMMISSIONER AHEARNE: When you say there is  
18 no place to go, were all those people or a large bulk of  
19 them hired from outside the agency? I thought many were  
20 transferred from inside.

21           MR. DENTON: They have skills which are  
22 fungible and in almost all cases could work in  
23 light-water technology, but they add that increment of  
24 12 or 20 people in excess of the functions.

25           COMMISSIONER AHEARNE: Yes, but as far as the

1 transferrability of their skills ---

2 MR. DENTON: I think it is very high  
3 transferability.

4 COMMISSIONER ASSELSTINE: What kind of  
5 resources to you have in the budget for '83, '84 and '85  
6 for things that aren't anticipated right now? Tom  
7 mentioned the unresolved safety issues, but if a problem  
8 comes up do you have some in there that you could direct  
9 to those problems, or is it a matter then of actually  
10 reducing some allocation?

11 MR. DENTON: Speaking just for NRR there is no  
12 contingency for major problems such as TMI. There is no  
13 budget assumption like that. It assumes a reduction in  
14 the number of operating actions that will be necessary  
15 that we take in the future and then it assumes that the  
16 process tends stabilize and then a reduction both in the  
17 number of operator actions and new Commission rules and  
18 new USI's. So it is tied to that kind of an assumption  
19 rather than a contingency per se.

20 COMMISSIONER GILINSKY: Let me ask you this.  
21 Barring new orders for some years, at any rate, what is  
22 going to happen with NRR? What kind of work do you see  
23 it doing?

24 MR. DENTON: Let's take operating licensing  
25 which is function which is to regionalized very quickly

1 in the budget. We have got in this budget a group of  
2 six full-time equivalent people whose job it would be to  
3 oversee that function in the region where it is  
4 performed, the programmatic direction to the region with  
5 all the work in operating licensing exams and grading  
6 and scoring would be done in the regions and the group  
7 back here, which essentially would be a very small  
8 group, a total of six, including clerical assistance,  
9 would provide whatever technical direction that is  
10 needed from here.

11 COMMISSIONER GILINSKY: Let's see, that is six  
12 out of 700.

13 MR. DENTON: Well, the operator licensing  
14 group grows and stays in the region and it will get up  
15 to, and I have forgotten what the cross-cut shows, but a  
16 fair number of people in each region that would be  
17 involved in administering the licenses.

18 In most of the technical areas the same sort  
19 of thing would happen. With no new casework and no CP's  
20 coming in and as the OL's are processed, I see, at least  
21 I will be proposing that we retain some center of  
22 excellence in certain technical areas back here to work  
23 on improvements or generic problems, whereas the actual  
24 day-to-day operations would all be out in the field.

25 COMMISSIONER GILINSKY: How big an office do

1 you see needed to deal with, say, whatever it is going  
2 to be, 120 reactors operating with their usual acting up  
3 now and then?

4 MR. DENTON: I don't think we yet have a  
5 handle on that. We have projected through '85 in this  
6 budget.

7 COMMISSIONER GILINSKY: When does the reactor  
8 licensing work tail off barring new orders?

9 COMMISSIONER AHEARNE: You mean the new  
10 licenses?

11 COMMISSIONER GILINSKY: Dealing with the  
12 plants that are now in the pipeline.

13 MR. DENTON: We have done some projections out  
14 there.

15 COMMISSIONER GILINSKY: We are really just  
16 talking about operating licenses now at this point.

17 MR. DENTON: The headquarters NRR function  
18 would go to a maintainability sort of level and we would  
19 be a lot less than we are now if you assume no new  
20 applications for operating licenses.

21 COMMISSIONER AHEARNE: Let's look at say  
22 1990. What would your rough estimate be of the size of  
23 your office?

24 CHAIRMAN PALLADINO: I don't know that they  
25 have thought about it yet.

1 MR. DENTON: We only have preliminary thoughts.

2 MR. FUCHES: The resources based on the  
3 current prediction of new applications, the resources  
4 for operating licenses basically go to maybe 10 or 20  
5 staff years.

6 COMMISSIONER AHEARNE: When do you see that?

7 MR. FUCHES: The big drop would start in about  
8 '86.

9 COMMISSIONER AHEARNE: So that would be down  
10 to 10 or 20.

11 MR. FUCHES: Yes, you are talking 10 to 20.

12 CHAIRMAN PALLADINO: Maybe we ought to turn to  
13 slide 6 because some of these items are listed by  
14 decision unit and it shows operating reactors.

15 COMMISSIONER AHEARNE: Is that first line of  
16 operating reactors that would drop to about 10 to 20 in  
17 '86?

18 MR. DENTON: That is the one which is being  
19 picked up in the regions.

20 MR. FUCHES: It is the casework line that  
21 would drop the cost of new licensing.

22 COMMISSIONER AHEARNE: Well, the operating  
23 reactors would also drop if you succeeded in working  
24 through that backlog.

25 MR. FUCHES: It would also drop because it



1 would go to the region also.

2 COMMISSIONER GILINSKY: Well, except the  
3 number of reactors is going to ---

4 CHAIRMAN PALLADINO: And there will be problem  
5 analyses that will be required.

6 COMMISSIONER GILINSKY: And they are getting  
7 older.

8 CHAIRMAN PALLADINO: I don't see operating  
9 reactors dropping off to that low a level, because there  
10 are continuing activities involved.

11 MR. DIRCKS: No, not to that level.

12 COMMISSIONER AHEARNE: Yes, but that is more  
13 being shifted to the region.

14 CHAIRMAN PALLADINO: There is going to be  
15 back-up analytical talent needed.

16 COMMISSIONER AHEARNE: 200?

17 CHAIRMAN PALLADINO: No, I am sorry. I don't  
18 know what that level is, but I don't think it is going  
19 down to 30.

20 MR. DENTON: It is something we just having  
21 thought hard enough about to project out in that time.  
22 We recognize that it is coming and we see the need to  
23 maintain some centers of technical excellence I think in  
24 headquarters in certain areas. Also there could be some  
25 skills in which you wouldn't need but one of each of

1 that skill.

2 COMMISSIONER AHEARNE: But I would sense that  
3 you are talking though about an NRR office, giving the  
4 likely future that you now see, of being no more than  
5 half the size of the current office and maybe even less.

6 MR. DENTON: Yes, that is right.

7 COMMISSIONER AHEARNE: That is not that many  
8 years away to really begin thinking seriously about what  
9 kind of a glide path you are on to get there.

10 MR. DENTON: Yes.

11 COMMISSIONER GILINSKY: Well, and in terms of  
12 taking care of the people and also making sure that you  
13 will have the skills that you need. It is not too far  
14 ahead to be thinking about individuals getting different  
15 skills so we don't end up dropping off the cliff at some  
16 point, not me because I won't be here.

17 (Laughter.)

18 MR. DENTON: Well, that is true.

19 CHAIRMAN PALLADINO: I think your question is  
20 valid to look beyond this chart, but I don't think that  
21 we have examined it closely enough to try and say what  
22 it is.

23 COMMISSIONER GILINSKY: I think large private  
24 firms tend to think in these terms a good deal more I  
25 think than the government in terms of managing the

1 people they have and the skills and trying to think  
2 ahead in terms of making sure that people are going to  
3 have the skills that the company is going to need, and I  
4 think we need to do a little more of that, in fact a  
5 good deal more of that. That in a way is a point I was  
6 trying to get at earlier.

7 CHAIRMAN PALLADINO: I have got to say one  
8 other thing. In industry you have another variable, and  
9 maybe we have got it here also, of how many orders you  
10 have got. You always have to make assumptions of how  
11 many orders.

12 COMMISSIONER GILINSKY: That is true.

13 CHAIRMAN PALLADINO: Industry doesn't predict  
14 quite that well. I have been involved in trying to  
15 predict and ---

16 COMMISSIONER GILINSKY: Well, some industries  
17 do better than others.

18 CHAIRMAN PALLADINO: But we have the same  
19 problem. We have to make assumptions about what is  
20 going to happen with particular reactors.

21 MR. DIRCKS: There is a five-year plan. We  
22 tried it a few years ago and didn't work out because  
23 there were so many variables, particularly TMI.

24 But, Len, you do have another five-year plan  
25 in the offing.

1           MR. BARRY: We have a little exercise started  
2 to do just what you are saying, to try to do a prognosis  
3 of ---

4           CHAIRMAN PALLADINO: Well, I think the  
5 question is well based that we ought to be looking. I  
6 think in one of our interim reviews, if we go to  
7 quarterly, okay, or if we stick to semi-annual, that  
8 would be a good time too look at what the situation  
9 would be when we are not under the gun to get a  
10 particular budget out.

11          MR. BARRY: Yes, sir.

12          CHAIRMAN PALLADINO: I do think that is  
13 something we should do.

14          COMMISSIONER GILINSKY: I think someone, and I  
15 don't know whether it is personnel or who, ought to have  
16 responsibility for looking at these questions across the  
17 agency. Maybe that is what your plan does.

18          CHAIRMAN PALLADINO: The staffing plan is more  
19 short range. The one I was talking about is what do we  
20 do in the next year or two. You are saying that we  
21 should have a longer term ---           -

22          COMMISSIONER GILINSKY: Just like our  
23 inspectors, I mean we have got construction inspectors  
24 and we are going to need inspectors in all of our  
25 operating reactors. Well, we have got to think ahead

1 and make sure that we are not throwing out construction  
2 inspectors the minute a plant starts up and hiring up a  
3 whole new crowd of inspectors. If they have got to get  
4 new skills, then this is the time to start developing  
5 them.

6 MR. BARRY: As the Chairman said, the staffing  
7 plan is a people plan, you know, what are we going to do  
8 with people. The one that we are starting to work on is  
9 a workload plan for the next five years.

10 COMMISSIONER GILINSKY: The top people of the  
11 agency, and of course starting with the Commissioners,  
12 have got to take responsibility for what happens to the  
13 people in this agency.

14 COMMISSIONER AHEARNE: I have never noticed a  
15 lack of it.

16 (Laughter.)

17 COMMISSIONER GILINSKY: Well, I don't know. I  
18 am not so sure. I think in government generally there  
19 is a tendency to take a short-range view of these  
20 matters and let people just take care of themselves with  
21 the managers not being accountable. I think that is  
22 wrong.

23 COMMISSIONER AHEARNE: I have not found that  
24 in government.

25 COMMISSIONER GILINSKY: Well, I have, and I

1 have found it here, too.

2           CHAIRMAN PALLADINO: But we accept this  
3 concept of looking ahead and trying to develop a plan or  
4 how we see it coming and then based on that we can plan  
5 personnel ceilings and the like.

6           COMMISSIONER AHEARNE: I think in this  
7 particular case it is a lot more critical than it is in  
8 the case of regionalization because in the  
9 regionalization case there is a lot more flexibility in  
10 what we do. We are driving the action, and if problems  
11 arise and you can't get an adequate transfer at a given  
12 time we can modify that. The question we are discussing  
13 here is driven by external events, namely what is  
14 actually going to be happen and how many plants are  
15 going to get built and where are they in the pipeline.  
16 I think since that is driven much more by events out of  
17 our control that we have to try to do a lot more careful  
18 long-range planning.

19           COMMISSIONER GILINSKY: There is one element  
20 here for which I think we are responsible, and it is to  
21 some extent within our control, and that is to try as  
22 get as accurate estimates as we can. I think in the  
23 past there has been a tendency not to have accurate  
24 estimates for a whole bunch of reasons, but it turns out  
25 it impacts on the staff.

1           COMMISSIONER AHEARNE: That is the next point  
2 I was about to get to, that the AEC, ERDA and the NRC  
3 has, for whatever reason in the past, tended to, whether  
4 they have wanted to or thought it was better policy to  
5 be prepared, have tended to view the future growth more  
6 optimistically or with higher numbers than actually  
7 transpired in order to provide accurate resources and in  
8 order to handle it if it did occur and I can see some  
9 argument for doing that.

10           But in this kind of a plan looking ahead of  
11 three, four or five years of where would the agency be,  
12 I think there you ought to be taking the opposite view.  
13 You ought to look at as pragmatic an approach and, if  
14 anything, look on the down side because it is easier not  
15 to go lower if you see three years ahead well you are  
16 not going to have to get as low as you were beginning to  
17 plan to than if you are going to have to go much lower.

18           MR. DENTON: There are no resources in either  
19 '83, '84 or '85 for construction permits in this budget.

20           CHAIRMAN PALLADINO: I will be looking to see  
21 when and if they put anywhere in the next five years a  
22 plant coming in.

23           (Laughter.)

24           COMMISSIONER AHEARNE: So would I, but I  
25 suspect we might have a different conclusion on that



1 data point.

2 CHAIRMAN PALLADINO: I am not about to make a  
3 prediction.

4 Excuse me, Jim. Go ahead.

5 COMMISSIONER ASSELSTINE: On this chart what  
6 estimates were used in developing the projections of  
7 resources for operating reactors and for casework in  
8 terms of issuance of new licenses and schedules?

9 MR. DENTON: For casework the current Beville  
10 schedules were used. Then I think there was an  
11 adjustment made in the operating reactors.

12 MR. DIRCKS: For operating reactors we are  
13 more pessimistic.

14 COMMISSIONER GILINSKY: Let's see, what was  
15 the number? I thought it was 88 or 89 at the end of '83.

16 CHAIRMAN PALLADINO: Which number?

17 COMMISSIONER GILINSKY: Operating reactors.  
18 It looked to me a little high.

19 MR. DENTON: I think for operating reactors  
20 the agency's own best estimates were used.

21 COMMISSIONER AHEARNE: That is not what your  
22 assumption says.

23 MR. DENTON: Well, for casework we used the  
24 Beville schedules. My memory was for operating reactors  
25 we ended up using an agency estimate.

1                   COMMISSIONER AHEARNE: When you say for  
2 operating reactors you used the agency estimate, are you  
3 saying that for licensing actions driven by operating  
4 reactors?

5                   MR. DENTON: For the top line labeled  
6 "Operating Reactors" which is the actions, yes, we used  
7 the agency estimate.

8                   COMMISSIONER AHEARNE: But as far as operating  
9 licensing when it is needed your major assumption that  
10 we got you used the applicant estimates?

11                  MR. DENTON: Yes. For the casework decision  
12 unit we used the applicant's dates.

13                  CHAIRMAN PALLADINO: Which is the Beville  
14 requirement.

15                  COMMISSIONER ASSELSTINE: Agency estimates are  
16 less optimistic.

17                  MR. DIRCKS: Oh, yes.

18                  COMMISSIONER GILINSKY: What is the number of  
19 operating reactors that you are predicting?

20                  MR. DIRCKS: Well, calendar year '82 we are  
21 estimating 10 construction completions."

22                  COMMISSIONER AHEARNE: In '82?

23                  MR. DIRCKS: In '82. The applicant was  
24 estimating 10 and we were estimating 7.

25                  COMMISSIONER GILINSKY: Well, let's see, in

1 term of licenses the number is going to be smaller than  
2 that.

3 CHAIRMAN PALLADINO: For all of calendar '82.

4 COMMISSIONER GILINSKY: For all of calendar  
5 '82.

6 CHAIRMAN PALLADINO: I think there will be  
7 about 7.

8 MR. DIRCKS: About 7.

9 COMMISSIONER GILINSKY: What are you  
10 estimating for '83.

11 MR. DIRCKS: For '83 the staff estimate is 12.

12 COMMISSIONER AHEARNE: And applicant?

13 MR. DIRCKS: Fourteen.

14 CHAIRMAN PALLADINO: How about '84 then.

15 COMMISSIONER AHEARNE: Now are these  
16 cumulative numbers? For example, should I then add and  
17 say by the end of '82 and '83 we were estimating 19 and  
18 the applicant was estimating 24?

19 MR. DIRCKS: Yes.

20 COMMISSIONER AHEARNE: So it is cumulative.

21 MR. DIRCKS: Right. Those that don't get in  
22 '83 will be done in '84.

23 COMMISSIONER AHEARNE: Would it be then fair  
24 to say that if it actually ends up only at 7 then the  
25 applicant estimate would be 17?

1 MR. DIRCKS: That is assuming that nothing  
2 would slip from '83 to '84.

3 COMMISSIONER AHEARNE: Right. So that if we  
4 turn out to be right and it is 7, then the applicant  
5 estimate instead of 14 ought to be 17.

6 CHAIRMAN PALLADINO: If the any of the 14  
7 don't slip.

8 MR. DIRCKS: That is right.

9 CHAIRMAN PALLADINO: Do you have a number for  
10 '84?

11 MR. DIRCKS: The staff estimate is 13.

12 COMMISSIONER AHEARNE: Do you have an  
13 applicant estimate?

14 MR. DIRCKS: Ten.

15 CHAIRMAN PALLADINO: How many?

16 MR. DIRCKS: Ten.

17 CHAIRMAN PALLADINO: They are going to get  
18 more out than they think.

19 MR. DIRCKS: We are figuring on more slipping  
20 into '84.

21 CHAIRMAN PALLADINO: I was just checking.  
22 Let's see, that is 34.

23 Do you have more questions, Jim?

24 COMMISSIONER ASSELSTINE: Just one related to  
25 that. If you use the agency or the staff estimates for

1 casework as well would that make much of a difference or  
2 is the idea basically to still continue with the NRR  
3 reviews and just get them over with earlier than they  
4 might be necessary?

5 MR. DENTON: We look at look at it. If you  
6 assume that we are trying to avoid lost work, in order  
7 words, complete the specific actions that are underway  
8 such as development of Q-1's or writing the SER or  
9 finishing the environmental impact statement, it is not  
10 that big a difference as to which one you are using each  
11 year. It is a little less resources in '83. It is  
12 about the same in '84 and it is more in '85, and I think  
13 Jessie has those numbers. But that assumes that we  
14 complete those phases we are on.

15 In in fact you just cancel activity you could  
16 pick up more resources, but that then appears  
17 inefficient because eventually you have to go back and  
18 save it again.

19 COMMISSIONER AHEARNE: I gather one of the  
20 questions you are answering for me is I had asked what  
21 was the resource implication across all of the resources  
22 that were applied if one were to use the NRC estimates,  
23 and I would guess your answer then is going to be that  
24 it doesn't make that much difference.

25 MR. DENTON: On the assumptions that I used,

1 that is right.

2 COMMISSIONER ASSELSTINE: It just shifts them  
3 a little bit from one year to the other.

4 COMMISSIONER GILINSKY: Let me ask you of the  
5 \$40-off million in program support, how much of that is  
6 an extension of the licensing function here? In other  
7 words, how much of that is being spent on contractors  
8 reviewing parts of license applications?

9 MR. DENTON: That would be the ---

10 COMMISSIONER GILINSKY: The 16 in the casework?

11 MR. DENTON: The casework would be the 16.

12 COMMISSIONER GILINSKY: Does that include  
13 amendments and all that sort of thing?

14 MR. DENTON: No, that is up in the operating  
15 reactors.

16 COMMISSIONER GILINSKY: So can we say that  
17 half of the operating reactors or some fraction, or is  
18 it all of it?

19 MR. DENTON: In '83, for example, all the \$10  
20 million goes to work on processing operating actions.

21 COMMISSIONER GILINSKY: So in other words,  
22 there is another \$25 million or so which is being spent  
23 on contractors reviewing license applications?

24 MR. DENTON: No, reviewing applications is ---

25 COMMISSIONER GILINSKY: Well, including

1 amendments.

2 MR. DENTON: No, the casework then is  
3 reviewing applications. The 11.8 in '83, for example,  
4 is what goes direct ---

5 COMMISSIONER GILINSKY: Sorry, I was looking  
6 at the '82. It is like the 10 plus 11.8.

7 COMMISSIONER AHEARNE: Yes. The 10 of  
8 operating reactors and the 11.8 for casework.

9 MR. DENTON: Yes.

10 COMMISSIONER GILINSKY: Let's see, operating  
11 licensing, the 4.7, is some of that spent in giving  
12 exams or reviewing exams?

13 MR. DENTON: That is correct.

14 COMMISSIONER GILINSKY: All of it?

15 MR. DENTON: All of it.

16 COMMISSIONER GILINSKY: So there is another \$5  
17 million there. Now is any of the rest of the money  
18 spent in conducting licensing functions?

19 MR. DENTON: Well, it depends on whether you  
20 call SEP a licensing function or not. The safety  
21 technology unit then is all in answering developmental  
22 interests, which is not directly tied to licensing.

23 COMMISSIONER GILINSKY: Right. I am trying to  
24 draw a distinction between actually reviewing a  
25 submission from a licensee in connection with either a



1 license application or an amendment application and  
2 conducting other studies that are related to those.

3 MR. DENTON: I think if you backed out the  
4 safety technology that you wouldn't be far off. All the  
5 rest of the money goes to reviewing something provided  
6 by a licensee.

7 CHAIRMAN PALLADINO: Except for management.

8 COMMISSIONER GILINSKY: So there are 300  
9 people out there, 300 man-years out there in addition to  
10 the ones we have here that are working on license  
11 applications of some sort or modifications.

12 MR. DENTON: Yes.

13 COMMISSIONER GILINSKY: Let me ask you this.  
14 How many persons within NRR are managing contracts? I  
15 will tell you why I ask and I must say I am a little  
16 concerned, well, I guess both man-years and persons,  
17 that so much of our work has shifted over to managing  
18 contracts rather than doing the work internally.

19 MR. DENTON: Because of constraints on  
20 internal staffing it has been easier over the years to  
21 go out. So a large share of our casework review is done  
22 by contractors. Take operating licensing as a good  
23 example. We were unable to hire the people needed to  
24 perform that function and that forced us to go out and  
25 find people to administer the operator exams. We just

1 could not get them in here and try to go through them.  
2 We may be able to do better in the field, but even I  
3 think Region III has had difficulty recruiting because  
4 the skills are in such short supply and are valued so  
5 highly by ---

6 COMMISSIONER GILINSKY: Do you have any  
7 estimates for either full-time equivalent or persons?

8 MR. DENTON: We use a hundred thousand per  
9 million.

10 COMMISSIONER GILINSKY: I mean in terms of how  
11 many persons in NRR are managing contracts.

12 MR. DENTON: It would work out to about 40  
13 people.

14 COMMISSIONER GILINSKY: One per million or  
15 something like that?.

16 MR. FUCHES: That is the goal.

17

18 COMMISSIONER GILINSKY: It is one man year per  
19 million?

20 MR. FUCHES: That is the goal, yes.

21 COMMISSIONER GILINSKY: On which side of it  
22 are you?

23 MR. DENTON: We are under.

24 COMMISSIONER GILINSKY: One person manages  
25 more than a million?

1 MR. DENTON: In big contracts it is somewhat  
2 easier to manage. One of our problems if we have got a  
3 lot of small contracts and we have constantly tried to  
4 consolidate them. It is somewhat easier for one person  
5 to manage Franklin, for example, than some of the small  
6 little technical assistance contracts that we tend to  
7 have.

8 COMMISSIONER ROBERTS: Is that one man year  
9 per million, is that a magic number that is used  
10 elsewhere in the government?

11 MR. DENTON: I think it is used in the agency  
12 as a goal. It depends on the nature of the contract, I  
13 am sure, but for ours I seems to be about what it takes  
14 for us to do an adequate job of overseeing the products  
15 on that contract.

16 COMMISSIONER AHEARNE: It is not, at least in  
17 the Defense Department ---

18 COMMISSIONER ROBERTS: Well, do they have any  
19 similar yardstick?

20 COMMISSIONER AHEARNE: It depends, as I think  
21 Harold ---

22 COMMISSIONER ROBERTS: It depends on the  
23 nature.

24 COMMISSIONER AHEARNE: It really depends on  
25 the nature of the contract and the type of contract that

1 the work is being done. Some small contracts with the  
2 performance being critical and it is very complex so you  
3 need a lot closer management than on a larger contract  
4 that is well defined and it is more routine work.

5           COMMISSIONER GILINSKY: Let me ask you this.  
6 Probably there are parts of the agency where things are  
7 a bit slack. Can some of these contracts or some of  
8 this work be done by people in those offices or in those  
9 parts of the agency ---

10           COMMISSIONER AHEARNE: Which parts of the  
11 agency did you have in mind, Vic?

12           COMMISSIONER GILINSKY: Well, I was harking  
13 back to the Chairman's remarks earlier about staff  
14 reduction.

15           MR. DENTON: We don't have any that are slack  
16 in the sense there is no work to be done within our  
17 environmental area. We have over the years ---

18           COMMISSIONER GILINSKY: Well, I don't mean  
19 necessarily just in your office.

20           MR. DENTON: We have reduced the amount of  
21 contractual assistance in order to keep the people that  
22 we do have in those fields fully employed. I don't know  
23 if that answers your question.

24           COMMISSIONER GILINSKY: Well, it sounds like  
25 you are doing it within your office. I am just

1 wondering whether that has extended beyond and whether  
2 you have taken a look at the rest of the agency. I  
3 guess I am asking are we making effective use of all the  
4 people?

5 CHAIRMAN PALLADINO: We certainly shouldn't be  
6 contracting for work that could be done by some talent  
7 that we are saying we aren't utilizing.

8 MR. DENTON: And we are not.

9 COMMISSIONER GILINSKY: It sounds like you are  
10 saying you have taken a look at your own office and you  
11 have made sure that you are not, but I don't know  
12 whether you have looked at other offices.

13 MR. DENTON: We did this about a year ago  
14 because it became obvious a while back, and let's take  
15 antitrust reviews. We have I think four individuals who  
16 do antitrust reviews. You only do those at a certain  
17 phase in the operation, and we do the environmental  
18 impact statements. So as casework drops, or the amount  
19 of work to be done drops, and it is in those areas that  
20 we have adjusted the amount of outside help we needed so  
21 that we keep those people busy.

22 COMMISSIONER GILINSKY: I will tell you why I  
23 press on this. Program support money is relatively  
24 speaking plentiful and it is relatively easy to sign 189  
25 letters. Personnel problems are very difficult to deal

1 with and we all know that. It is very sticky and there  
2 are all sorts of problems. That is true in every  
3 organization that it takes a lot of work to get to full  
4 use of people throughout an organization, particularly  
5 if you are not directly in charge of those people and so  
6 on. I think we need to make that effort, and I gather  
7 we have been making it to a certain extent, but it  
8 sounds to me like we could do more.

9 CHAIRMAN PALLADINO: Let me ask a question.  
10 How many more questions do the Commissioners have on  
11 NRR? I am trying to gauge on where ---

12 COMMISSIONER ROBERTS: Are you going to break  
13 for lunch?

14 CHAIRMAN PALLADINO: I want to break for lunch  
15 now.

16 COMMISSIONER GILINSKY: We are going to break  
17 for lunch!

18 (Laughter.)

19 CHAIRMAN PALLADINO: I want to break right now.

20 COMMISSIONER GILINSKY: You and I ---

21 (Laughter.)

22 CHAIRMAN PALLADINO: Unless I sense there is  
23 only one more question.

24 COMMISSIONER AHEARNE: No, I have more.

25 CHAIRMAN PALLADINO: You have several.

1 I suggest we break for lunch. When we come  
2 back we will finish on NRR and proceed with the rest of  
3 the paper.

4 So we will break for lunch now and reconvene  
5 at 2:30.

6 (Whereupon, at 12:15 p.m., the meeting  
7 recessed, to reconvene at 2:30 p.m., the same day.)

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## 1 AFTERNOON SESSION

2 (2:30 p.m.)

3 CHAIRMAN PALLADINO: The meeting will please  
4 come to order.

5 This is a continuation of our budget meeting.  
6 As we indicated, we might have to continue into the  
7 afternoon. We were discussing the subject of nuclear  
8 reactor regulation and we were entertaining questions on  
9 reactor regulation. We will now go ahead with the  
10 questions from the various Commissioners.

11 I think Commissioner Asselstine was in the  
12 process of asking questions and we might as well let him  
13 continue.

14 COMMISSIONER ASSELSTINE: No, I think I  
15 covered all I had.

16 CHAIRMAN PALLADINO: All right.

17 Commissioner Roberts or Commissioner Ahearne?

18 COMMISSIONER ROBERTS: No.

19 COMMISSIONER AHEARNE: Let me hear about SEP  
20 and IREP and NREP. I recognize IREP is the Research  
21 Office program, but could you give a short description  
22 of how you currently see this flowing along, if flowing  
23 is the right word.

24 MR. DENTON: We have completed two of the SEP  
25 plants, Ginna and Palisades and have ACRS input. We are

1 just finishing how three BWR's. We have lumped the  
2 three together. We propose to come to the Commission in  
3 a couple of months with a program that would address  
4 whether or not we should continue the SEP program into  
5 Phase III, and at that time propose how it would be  
6 integrated with NREP and IREP. I think the Commission  
7 has decided, or the last time we discussed this, that  
8 they wanted CRGR comments on SEP Phase III.

9           So our present approach is to finish  
10 throughout this year and into next year those plants  
11 which we started with the original Phase II, but we are  
12 making no moves into Phase III until we brief the  
13 Commission on the results of Phase II and its cost and  
14 benefits from the public standpoint.

15           COMMISSIONER AHEARNE: What is the budget  
16 based on?

17           MR. DENTON: In it based on in NRR's case a  
18 level of effort ongoing of 36 people.

19           COMMISSIONER AHEARNE: So you are saying that  
20 there is no explicit or implicit judgment as to what  
21 will happen on SEP Phase III, but there is a level of  
22 effort funding which could accommodate the SEP Phase III  
23 if it were necessary?

24           MR. DENTON: I think that is a fair reading of  
25 it, yes.

1           COMMISSIONER AHEARNE: It was a little unclear  
2 to me in reading on Palisades and Ginna that when you  
3 say you have completed the SEP for those two plants as  
4 to what extent is this going to flow over into any large  
5 licensing actions. It seems to me more ending up on  
6 items to discuss.

7           MR. DENTON: Some of those Phase II plants  
8 have provisional operating licenses and that will form  
9 part of the basis for going to hearing and convert those  
10 to full-term operating licenses. So there are some  
11 remaining issues like USI's that will have to be folded  
12 into the staff review, but that would form the basis for  
13 moving toward a full-term operating license for some of  
14 those very old plants.

15           The first two plants, too, we and the  
16 companies came to an agreement over what kind of fixes  
17 would probably be necessary. So it didn't result in any  
18 regulatory actions.

19           COMMISSIONER AHEARNE: Have you assumed  
20 similarly as far as the resource implications of  
21 finishing up the rest of the other nine SEP plants?

22           MR. DENTON: We have modified the estimates a  
23 little bit based on the experience that we gained from  
24 these two, but as to the level of effort, we really  
25 haven't tried to. We will just shift the number of

1 plants around that would get in the program.

2 COMMISSIONER AHEARNE: Is there any type of  
3 planning that you have at least internal to your office  
4 for the follow-on work that would have led to the need  
5 for substantially more than 36 people? I don't ask that  
6 because I have some document here. I am just trying to  
7 understand when you talk about level of effort.

8 MR. DENTON: I think it was our feeling that  
9 since we were able to find rough comparability with  
10 those old plants at the same level of effort for another  
11 batch of them, we also see that if there is a Phase III  
12 that there will be fewer topics in dispute. In other  
13 words, there were about 90 topics we had been assigned  
14 for the Phase II plants. Because of the timing of  
15 those, we think there would only about 45 topics that  
16 need to be pursued for the next generation. So we think  
17 in general there would be less topics to look into.

18 Now if you are asking a broader question of  
19 what is on the safety horizon that might change it, I  
20 would say it would be the safety goal and where you  
21 would put the operating level and the design objective,  
22 because some of these older plants do have PRA's that  
23 have been produced, like Big Rock Point, in association  
24 with their SEP program.

25 MR. DIRCKS: Just to make sure we are clear,

1 the level of effort includes moving into Phase III  
2 unless stopped.

3 COMMISSIONER AHEARNE: Yes. I have been, as  
4 you know, a very strong supporter of the program, but  
5 nevertheless putting on a budget hat I still have to ask  
6 the question. You have been allocated a level of effort  
7 of 36 in the outyears. Does that represent your  
8 judgment that the safety benefits of the SEP program are  
9 such that it warrants that sizeable amount of staff  
10 years?

11 MR. DENTON: Based on the first two, I think  
12 it has been a cost effective program. It cost us  
13 several million dolla do those programs. It cost  
14 the applicants, excluding seismic, it cost them several  
15 million dollars in changes. But almost everything that  
16 we found the applicants were quick to agree with you  
17 that that is an area that needs to be strengthened.

18 The most expensive area it has turned out from  
19 the applicant's point of view to be the seismic  
20 extreme. That is a big ticket item and has cost the  
21 applicants a lot of money. So I am coming to the  
22 conclusion based on those two that it has been cost  
23 effective from a societal point of view. Whether it  
24 will continue to be as we move further and further more  
25 toward more recently plants or not I think is an open  
question, but I think certainly for Phase II it will

1 be. My own feeling is it will be until we bump into  
2 plants that were reviewed under the Standard Review Plan  
3 more or less consistently. I think certainly there is  
4 this relationship between SEP and safety goal that will  
5 shape the views toward these old plants.

6 COMMISSIONER AHEARNE: But you are satisfied  
7 at the moment that five percent of your effort is  
8 appropriately allocated?

9 MR. DENTON: We have found things that would  
10 not have been found and fixed through the normal  
11 operating actions procedure. I have asked a number of  
12 experts in the field to give me their view on continuing  
13 into Phase III and we will have that available when we  
14 brief the Commission on that.

15 COMMISSIONER AHEARNE: You mean outside  
16 experts?

17 MR. DENTON: Yes.

18 COMMISSIONER AHEARNE: Could you say a few  
19 words about the generic issues? One of the problems of  
20 reviewing budgets is you end up having a variety of  
21 pieces of paper which were generated at different  
22 times. So there is one set of papers that listed  
23 generic issues in NRR at a staffing of 38 as the office  
24 request in FY-'84, and then a later one I think dropped  
25 it down to 18 in FY-84. It wasn't clear to me whether

1 the category had stayed the same and there had been a  
2 revised estimate or what the situation was.

3 So could you tell me what it was that you had  
4 recommended for generic issues and where the final  
5 budget came out?

6 MR. DENTON: Let me try to summarize it, and I  
7 might have to ask Jessie for some assistance. Let's set  
8 aside for a moment the human factors program plans being  
9 a separate issue to deal with and just talk about what I  
10 call generic issues.

11 There are three classes of generic issues that  
12 we have budgeted for in this time frame and I know they  
13 get confusing at times.

14 One class are those high priority 0660 items,  
15 and these are not in the human factor group, but they  
16 are two of those issues that were high priority that we  
17 have been working on and are continuing to be worked on.

18 Then there are a class of items that used to  
19 be called the "A" through "D" items that were budgeted  
20 last year. There was some level of effort into those.  
21 We are continuing to work on those items, and there are  
22 perhaps a dozen of those generic issues that used to be  
23 called "A" through "D" that are budgeted.

24 Then there are the 0660 issues that we worked  
25 on in 1982 that were non-human factors and also non-high



1 priority. You remember we deliberately went into some  
2 of those 0660's last year even though they weren't high  
3 priority. These were issues like containment purging  
4 and 2E-4 in the action plan.

5 Out of those three classes of generic issues  
6 there are about 20 man-years I think budgeted in '83,  
7 and I will have to turn to Jessie to see if that  
8 comports to the numbers you have quoted.

9 MR. FUCHES: I think the difference between  
10 the two numbers you see in the cross cut of generic  
11 issues which shows 18 and then also there is a human  
12 factors program plan which is 20, that if you look at  
13 the regular budget submission which shows generic issues  
14 there is 38 and it is the sum. The human factor plan is  
15 included in the generic issues in the regular budget.  
16 So you add the two together to get the 38. So there is  
17 no reduction there. There should be generic issues not  
18 factored in.

19 COMMISSIONER AHEARNE: So that, for example,  
20 Jessie, in the cross cut the human factors development  
21 activities was elsewhere in generic issues.

22 MR. FUCHES: It was generic issues in the  
23 regular legislation. We separated the two out here in  
24 the cross cut.

25 COMMISSIONER AHEARNE: Now you mentioned there

1 in response to a question on human factors plan, and I  
2 noticed that your chart had technical resolution for the  
3 issues identified in the long-range human factors plan.  
4 That is a document which has had many versions and was  
5 cycled many times. Are you finally coming to a final  
6 human factors plan?

7 MR. DENTON: Yes, we are. There is a plan  
8 that we have given to the other offices and to the ACRS  
9 and it is undergoing senior level review now within the  
10 agency and regional input. So I would it wouldn't be  
11 too long before I could get it to the EDO and he can  
12 transmit it down.

13 COMMISSIONER AHEARNE: It is based on that  
14 that the numbers are there.

15 MR. DENTON: That is right.

16 COMMISSIONER AHEARNE: I guess that puts us in  
17 an interesting situation. What we have in front of us  
18 is a budget to approve with the resource numbers which  
19 support a plan which we have not yet seen.

20 MR. DENTON: The only thing I think about that  
21 is that the resolution of this one depends mainly on  
22 dollars. In other words, we have only budgeted 13 or 14  
23 people to work on it, and I think it is the equivalent  
24 of 46 people that we have gotten budgeted in dollars,  
25 some \$3 to \$4 million. So it is anticipated that the

1 bulk of those items in the human factors plan will be  
2 done by contract assistance.

3 COMMISSIONER AHEARNE: I guess then I am  
4 puzzled. The chart has 20 people and \$4 million.

5 CHAIRMAN PALLADINO: Which one are you looking  
6 at?

7 COMMISSIONER AHEARNE: I am looking ---

8 MR. FUCHES: You are talking different years.  
9 He was talking about '83 and you are talking about '84.

10 COMMISSIONER AHEARNE: Oh, okay. I was  
11 talking about '84. Yes, 13 people in '83. I was  
12 looking at the cross cut chart.

13 MR. DENTON: As I mentioned to the Chairman  
14 that when we went through this, this is the one area  
15 that it is hard to know precisely what to budget for  
16 until we have an approved plan. This is the people who  
17 put the plan together and we are reflecting their  
18 estimate. If the plan is approved as stands, that is  
19 about the bite of resources that it would take to do it.

20 COMMISSIONER AHEARNE: Now since you have been  
21 through the plan, I guess at the present time you must  
22 have some rough estimate of some of the major debates  
23 about it. Can you give me an estimate of what is the  
24 possible uncertainty in the required numbers? Could it  
25 be double that?

1           CHAIRMAN PALLADINO: Jessie has a comment.

2           MR. FUCHES: I would say it couldn't be double  
3 that. It could be 20 percent higher or it could be 20  
4 percent lower, but I think it is a good ball-park  
5 estimate, if you will.

6           COMMISSIONER AHEARNE: Another question which  
7 may or may not be an NRR question, so I will start with  
8 you, Bill, is we have had a value impact analysis issue  
9 in front of the Commission for at least a year and  
10 several years in general, but over the last year you had  
11 a paper up and there has been some discussion. OPE  
12 commented and I commented on it, and there still is some  
13 question I gather as to how the agency is going to go  
14 about doing value impact analyses.

15           Can you give me an estimate of embedded in  
16 this budget what are the resources for value impact  
17 analyses based upon the approach taken?

18           MR. DIRCKS: I think the lastest time the  
19 Commission spoke on this subject was in the review of  
20 the CRGR charter and we had established a cost  
21 estimating function within the agency.

22           COMMISSIONER AHEARNE: Right.

23           MR. DIRCKS: We have gone through a couple of  
24 iterations and a couple of reviews. At one point in  
25 meeting with Harold and Vic Stello and the other

1 concerned officers, we thought if we centralized that  
2 activity into Harold's office they would perform this  
3 service for the other offices. When we got the initial  
4 budget estimate of what it would take to do this in a  
5 centralized way, it included about six or seven staff  
6 years and a million or so dollars. Maybe I am wrong in  
7 the dollars.

8 We said, well, the first year, in order to do  
9 this thing for the first year we suggested that the  
10 other offices absorb the manpower requirements within  
11 their offices and asked Harold to assign one staff year  
12 to this effort and act as a central contract management  
13 group for the agency and we estimated a million dollars  
14 in contract work.

15 So the way it is going to work and the way we  
16 would like to see it work is that the offices in  
17 proposing requirements would essentially in connection  
18 with their requirements estimate the cost, do the  
19 benefit calculation and if they needed contractual  
20 assistance to supplement their efforts to go into  
21 Harold's office and have that act as a service agency in  
22 the contractual area. In the meanwhile Harold would  
23 cover NRR needs using the one staff year and the million  
24 dollars contractual fund.

25 COMMISSIONER AHEARNE: Is that '83?

1 MR. DIRCKS: '83, yes.

2 COMMISSIONER AHEARNE: What does the budget  
3 assume for '83 and '84.

4 MR. DIRCKS: The same.

5 MR. BARRY: The same.

6 COMMISSIONER AHEARNE: So not only initially  
7 but then for the next three years ---

8 MR. DIRCKS: Three years, yes.

9 COMMISSIONER AHEARNE: Now I guess I am not  
10 clear, did you think that the people who had made the  
11 estimate of the six to seven staff years were grossly  
12 overestimating what was necessary?

13 MR. DIRCKS: No, I don't think they were  
14 grossly overestimating. I think the conclusion we came  
15 to is if NRR was trying to do this for all the other  
16 offices that he was estimating five to six staff years.  
17 Looking at it again and in rethinking it we thought part  
18 of the process should be for those offices that do the  
19 estimating and do the requirements prosing should also  
20 dedicate some resources to estimating what the cost  
21 impact would be as well as the benefit accrual. It was  
22 the resource estimate that came back and caused us to  
23 rethink the approach.

24 COMMISSIONER AHEARNE: You said that it was  
25 Harold's estimate of five to six. Did you ask Len what

1 his estimate would be if that was located in the  
2 resource office?

3 MR. DIRCKS: Resources Management?

4 COMMISSIONER AHEARNE: Yes.

5 MR. DIRCKS: I don't know.

6 MR. BARRY: We looked at it and thought the  
7 estimate was pretty good.

8 COMMISSIONER AHEARNE: Of five to six people?

9 MR. BARRY: Of five to six people, yes. So  
10 what we really did was traded off five or six people for  
11 one person and a million dollars.

12 MR. DIRCKS: And used the manpower, the  
13 staff-power in the other offices.

14 COMMISSIONER AHEARNE: But in the past the  
15 agency hadn't really been doing so good a job in making  
16 cost estimates.

17 MR. BARRY: Right.

18 MR. DIRCKS: That is true. In connection with  
19 that I think we have got to look at the new sort of  
20 discipline that the CRGR has imposed on the whole  
21 proposed.

22 COMMISSIONER AHEARNE: Well, making the  
23 requirement that the cost estimate be done isn't  
24 necessarily going to produce good cost estimates.

25 MR. DIRCKS: No, but the discipline that you



1 get when you face a group like that committee is a large  
2 incentive to do a better job on cost estimating.

3 COMMISSIONER AHEARNE: I think that is all the  
4 NRR questions I have.

5 CHAIRMAN PALLADINO: I was going to ask one  
6 question for the record, Harold. Looking at this chart  
7 it shows the TMI clean-up runs out of steam in '84 and  
8 '85. I think we should indicate what is happening there  
9 so that one doesn't get the impression that the TMI  
10 clean-up is no longer an item of concern to the  
11 Commission.

12 MR. DENTON: The responsibility is transferred  
13 to the region in '84.

14 CHAIRMAN PALLADINO: And what would the  
15 numbers be for the region? Do you have that handy?

16 COMMISSIONER AHEARNE: Well, it is 19, as I  
17 recall.

18 MR. DENTON: I think it is essentially  
19 unchanged.

20 COMMISSIONER AHEARNE: No.

21 CHAIRMAN PALLADINO: Right now we have,  
22 according to this chart, 20 staff years in '82 and  
23 \$300,000.

24 MR. DENTON: It comes down slightly in '83  
25 where we are projecting the need. As we produce

1 documents and safety evaluation reports we could cut  
2 down to essentially the people at the island. I think  
3 it is the position in '84 that it would be run by the  
4 people who are presently there and it wouldn't need the  
5 heavy headquarters special attention that it has had in  
6 the past.

7 CHAIRMAN PALLADINO: But if they do need some  
8 additional help by headquarters would you be in a  
9 position to provide it making reasonable assumptions?

10 MR. DENTON: I would still consider it a high  
11 priority item.

12 CHAIRMAN PALLADINO: I think it is important  
13 to indicate that we are not eliminating the activity.

14 MR. DENTON: My memory was that the actual  
15 number of people at Middletown involved was unchanged as  
16 a result of this and we were just regionalizing ---

17 COMMISSIONER AHEARNE: Well, somewhere in one  
18 of these charts there is a summary chart that shows the  
19 total involved in TMI.

20 MR. BARRY: Page 38 on the cross cut.

21 MR. DIRCKS: What you see in the total from  
22 '83 to '84 is the total goes from 28 to 20. The  
23 regional effort goes from 11 to 19.

24 COMMISSIONER AHEARNE: You had 31 in '82 and  
25 you go to 28 in '83 and then 19 in '84.

1           MR. DIRCKS: Twenty total. Are you talking  
2 about NRR or are you talking about ---

3           COMMISSIONER AHEARNE: I am talking about page  
4 38 says 19.

5           MR. DIRCKS: Are you talking totals?

6           COMMISSIONER AHEARNE: Yes, this is the cross  
7 cut.

8           CHAIRMAN PALLADINO: It is the cross cut I  
9 have also.

10          COMMISSIONER AHEARNE: Do you have a different  
11 cross cut?

12          CHAIRMAN PALLADINO: I should point out on  
13 these cross cuts that we were discovering some anomalies  
14 and that there were differences in the way people had  
15 rated them.

16          MR. BARRY: We have been doing cross cuts  
17 every day and this is today's and it has just gone up  
18 one.

19                 (Laughter.)

20          COMMISSIONER AHEARNE: I see. Just in '84?

21          MR. DIRCKS: The totals along the bottom, it  
22 should read in fiscal '82 it is 31, in fiscal '83 it is  
23 28, in fiscal '80 it is 20 and in fiscal '85 it is 20.

24          COMMISSIONER AHEARNE: So it did go up one.

25          MR. BARRY: Yes.

1           COMMISSIONER AHEARNE: They have stayed the  
2 same, but just the paperwork.

3           CHAIRMAN PALLADINO: Well, shall we go on to  
4 the next topic, slide 7. Actually I should point out  
5 that Slides 7, 8 and 9 all relate to material safety and  
6 safeguards. Slide 7 summarizes total resources for  
7 material safety and safeguards both in the headquarters  
8 and in the regions. It also lists the major planned  
9 accomplishments to be implemented in headquarters, both  
10 headquarters staffing level and program support decrease  
11 steadily through fiscal year 85 and decreases in NMSS  
12 are due mostly to increased regionalization, fewer fuel  
13 facilities licensing reviews, decreased reactor  
14 safeguard licensing casework and completion of  
15 high-level waste disposal regulation. I think that is  
16 the essence of Slide 7.

17           You might want to look at Slide 8 in  
18 conjunction with it and then Slide 9 and then pose  
19 questions.

20           Slide 8 highlights the major planned  
21 accomplishments for material safety and safeguards to be  
22 performed in the regions. The regionalized activities  
23 will be primarily in the areas of uranium recovery,  
24 materials licensing, safeguards license amendments, fuel  
25 fabrication amendments and transportation route surveys

1 and contingency plans.

2           Then Slide 9 shows the breakdown in terms of  
3 decision units. Resources are spread fairly evenly  
4 among the NMSS decision units and remain about level  
5 through fiscal '84. The only substantial decrease is  
6 uranium recovery licensing and to a lesser extent  
7 materials licensing.

8           We have Dr. Davis here and Jim O'Reilly to  
9 respond to any questions on NMSS.

10           Do you want to start?

11           COMMISSIONER AHEARNE: I had just basically  
12 one question. I had asked a series of questions and I  
13 got the answers right after lunchtime and I went through  
14 them very quickly. So I may come back with more  
15 questions to you, Bill. But one one of them I had  
16 noticed that under "Materials Licensing" the office  
17 program request for '84 was 44.3 staff years and the  
18 Chairman's recommendation was 26 and there is a  
19 substantial reduction.

20           So I had asked if it is based upon  
21 regionalization does the significant drop indicate a  
22 disagreement between NMSS headquarters and EDO or the  
23 Chairman as to how many people are needed at  
24 headquarters, or is it that the NMSS budget was based on  
25 a slower pace of regionalization.

1           Now the answer I received is the difference  
2 between the request and recommendation is that NMSS would  
3 prefer a slower pace of regionalization to balance  
4 potential personnel difficulties. Personnel  
5 accommodations will be considered as regionalization  
6 proceeds.

7           So, John, would you care to address that?

8           MR. DAVIS: Well, we preferred, and I would  
9 have to describe it as a much slower early years in  
10 regionalization. Part of it had to do with the  
11 personnel involved, and that is a fairly large group of  
12 people. But in addition to that, we felt there were  
13 some other issues that perhaps with a little more time  
14 would become a little clearer. For example, some of the  
15 numbers which are used of course are based on our work  
16 factors which are the issuance of licenses in a high  
17 centralized organization, and I am not entirely certain  
18 what that does when you move it outside.

19           Another thing of course is we will be charged  
20 with developing a national program overview function.  
21 So what I had proposed is that we move in slower to give  
22 the headquarters office time to take care of it.

23           COMMISSIONER AHEARNE: Bill, can you say why  
24 you disagreed?

25           MR. DIRCKS: I don't think I did disagree. I

1 agreed basically.

2           COMMISSIONER AHEARNE: Joe, can you say why  
3 you disagreed?

4           CHAIRMAN PALLADINO: I don't think I disagreed.  
5           (Laughter.)

6           CHAIRMAN PALLADINO: I think the one place I  
7 did make a change was in NMSS. Now I am trying to find  
8 out what page you are referring to in here and where the  
9 question arises.

10           COMMISSIONER AHEARNE: I am talking about page  
11 5 of the NMSS program office request. There is the  
12 materials licensing category.

13           MR. DAVIS: I have the number you are talking  
14 about.

15           COMMISSIONER AHEARNE: I asked specifically  
16 about that and I have just been given the answer. The  
17 answer was that here is why you felt this shouldn't have  
18 happened. I asked Bill why it did happen, and he said  
19 well, he didn't disagree with you and the Chairman  
20 didn't disagree with you.

21           MR. DAVIS: I was referring to a different set  
22 of numbers. Basically the bulk of that was to ask for  
23 some people to reduce a materials licensing backlog,  
24 about an 11 to 12 years material licensing backlog.

25           COMMISSIONER GILINSKY: Eleven to 12 years?



1           COMMISSIONER AHEARNE: Now wait. That is a  
2 separate issue. Please, if I could at least just  
3 initially focus on this. I asked a question. I have a  
4 written answer.

5           (Laughter.)

6           COMMISSIONER AHEARNE: Now I am not so naive  
7 as to believe what the written answer means.

8           (Laughter.)

9           COMMISSIONER AHEARNE: However, I do have a  
10 written answer and it doesn't say anything about backlog.

11          MR. DIRCKS: Wait a minute. We had better  
12 give you the written answer, whatever it is. You wrote  
13 it, I guess.

14          COMMISSIONER AHEARNE: I will read it.

15          CHAIRMAN PALLADINO: Read the question first.

16          COMMISSIONER AHEARNE: I will read the  
17 question. The question is under materials licensing  
18 there is a sizeable reduction in the program office  
19 request. That is this reduction ---

20          MR. O'REILLY: Excuse me, Commissioner, is  
21 that the regional request?

22          COMMISSIONER AHEARNE: No, this is the program  
23 office request. If this is based upon regionalization,  
24 does the significant drop indicate a disagreement  
25 between NMSS headquarters and the EDO or Chairman as to

1 how many people are needed at headquarters, or is it  
2 that the NMSS budget was based upon a slower pace of  
3 regionalization? That was my question.

4           The written answer I had is the difference  
5 between the office request and recommendation under  
6 materials licensing is that NMSS would prefer a slower  
7 pace of regionalization to balance potential personnel  
8 difficulties. Personnel accommodations will be  
9 considered as regionalization proceeds.

10           Now the answer, John, that you just gave,  
11 focused somewhat on personnel difficulties, but also  
12 mentioned the difference in the workload factors,  
13 different centralization, regionalization and then also  
14 backlog. Both Bill and the Chairman say they didn't  
15 disagree with you, and now I am really puzzled (a) as to  
16 what the reason is, and (b) what the right number should  
17 be.

18           MR. DAVIS: Our first request for materials  
19 license was 44.3. Is that the number?

20           COMMISSIONER AHEARNE: That is the number that  
21 is in the book.

22           MR. DAVIS: In March it was 26.

23           CHAIRMAN PALLADINO: March was what?

24           COMMISSIONER ASSELSTINE: Are you talking  
25 about '84 or '83?

1 MR. DAVIS: '84.

2 CHAIRMAN PALLADINO: That is right.

3 COMMISSIONER AHEARNE: In March it was 26.

4 MR. DAVIS: Where that came from, that  
5 particular number came from, the biggest piece of it was  
6 a request to cut our backlog in materials licensing.  
7 That was our original request. We have about a 10-year  
8 backlog, staff year in materials licensing, and a major  
9 portion of that was to reduce that backlog.

10 COMMISSIONER GILINSKY: What does that mean?  
11 What is the backlog, initial applications or renewals?

12 MR. DAVIS: They are all types of applications  
13 and when they come in we cannot process them.

14 COMMISSIONER GILINSKY: How long does it take?

15 MR. DAVIS: Forty-five days which is our goal.

16 COMMISSIONER GILINSKY: How long does it take  
17 to process them?

18 MR. DAVIS: It usually takes us about 90 days  
19 to process on the average.

20 COMMISSIONER GILINSKY: So you were going to  
21 inject some staff years in order to bring that down to  
22 45 days?

23 COMMISSIONER AHEARNE: From 90 days.

24 MR. DAVIS: Right.

25 COMMISSIONER GILINSKY: Are they all done by

1 hand?

2 MR. DAVIS: At the present time. If you will  
3 notice in the budget there is an item in there that  
4 speaks to improvement of the material licensing  
5 process. What that is to do is to try to move this from  
6 a manpower intensive effort to a less manpower intensive  
7 effort. That would start about '85. An outfall from  
8 that we had hoped would be to eat off the backlog plus  
9 give us some efficiencies.

10 COMMISSIONER GILINSKY: I thought we were  
11 going to put these all on computers.

12 CHAIRMAN PALLADINO: I thought we were going  
13 to start it so we could reduce the manpower in '84.

14 COMMISSIONER GILINSKY: Is this just the sort  
15 of thing you want to put on some computer system?

16 MR. DAVIS: That is exactly what this effort  
17 is to try to do, and the money goes down in '84.

18 CHAIRMAN PALLADINO: I thought the emphasis  
19 was to get that underway in '83 so that one could reduce  
20 the manpower needs in '84. Now if you say that isn't  
21 so, then we used the wrong assumptions.

22 MR. DAVIS: No, that is correct.

23 COMMISSIONER GILINSKY: What are we doing in  
24 that direction? What is it that you have planned?

25 MR. DAVIS: What we have planned now is, one,

1 we have an effort to first speed up the process in-house  
2 by the use of more data equipment rather than hand do  
3 it.

4 Secondly, we have an effort underway to relook  
5 at the requirments so that by changing the requirements  
6 we believe we can get better information from the  
7 licensees, simpler information which to process.

8 Third, we are relooking at revising the  
9 application form so that it is easier machine read.  
10 There are a series of operations to try to get that  
11 under control.

12 COMMISSIONER AHEARNE: Are you saying that you  
13 have or will put out or contract in '83 to device to  
14 some improved software?

15 MR. DAVIS: It is a continuation process.

16 COMMISSIONER AHEARNE: Is the assumption that  
17 it will be successful?

18 MR. DAVIS: We assume it will be successful,  
19 yes.

20 COMMISSIONER AHEARNE: But if the assumption  
21 is that it will be successful, then why did you ask for  
22 the additional people in '84 to do it by hand?

23 MR. DAVIS: We asked for the additional people  
24 in '84 to give us time to get it in place. Besides  
25 that, it is not just a matter of backlog, but it is also

1 a matter of incoming applications. We get about 3,000  
2 or 3,500 of these applications a year. So consequently  
3 we have to handle the application flow plus take care of  
4 the backlog.

5 COMMISSIONER GILINSKY: How many licenses are  
6 there altogether?

7 MR. DAVIS: About 9,000.

8 COMMISSIONER GILINSKY: Let's see, you get  
9 3,000 a year and there are 9,000 ---

10 MR. DAVIS: We get applications for either new  
11 licenses, changes or amendments.

12 COMMISSIONER GILINSKY: Oh, I see.

13 CHAIRMAN PALLADINO: John, do the regions  
14 participate in handling any of that backlog?

15 MR. DAVIS: They will.

16 CHAIRMAN PALLADINO: Because in '84 there is a  
17 significant increase in the number of people, staff  
18 years in the regions for materials safety and safeguards  
19 activities.

20 MR. DAVIS: The way we have it arranged with  
21 the regions at the present time is that the backlog  
22 stays at headquarters as we begin to move out, but we  
23 will work that backlog out using the new system.

24 COMMISSIONER AHEARNE: Let me go back then to  
25 an earlier question on backlog. It sounded like really

1 it is the difference between 45 days and 90 days. Are  
2 there some of these licenses that actually last years?

3 MR. DAVIS: That is an average. We have some  
4 license applications which are in excess of six months  
5 at least. Some may go years, but I don't believe so.

6 COMMISSIONER AHEARNE: Are a number of these  
7 timely renewals?

8 MR. DAVIS: Some of these are timely  
9 renewals. We are trying to work off the timely  
10 renewals, yes, sir.

11 COMMISSIONER AHEARNE: There was a reduction  
12 of 18 people from the request, 18 staff years from the  
13 request. The Chairman has said he agreed with the EDO.  
14 So I guess it was an EDO decision to reduce the 18 staff  
15 years.

16 MR. DIRCKS: Yes.

17 MR. DAVIS: Now all those staff years were not  
18 backlog. About half of that was backlog. We had other  
19 requests is for increased operational data review and  
20 more training.

21 COMMISSIONER GILINSKY: You are saying  
22 basically that a million dollars will have a substantial  
23 impact on the ---

24 MR. DAVIS: Well, it is really more than a  
25 million that is spread over a couple of years.



1                   COMMISSIONER GILINSKY: A couple of million  
2 dollars.

3                   MR. DAVIS: Right, sir. That is our  
4 anticipation.

5                   COMMISSIONER GILINSKY: We have had this  
6 conversation every year.

7                   MR. DAVIS: For about 30 years I believe.  
8 (Laughter.)

9                   COMMISSIONER GILINSKY: Not you and I.  
10 (Laughter.)

11                  COMMISSIONER GILINSKY: It used to be Mr.  
12 Kennedy who used to raise this all the time, and I feel  
13 a certain obligation ---

14 (Laughter.)

15                  MR. DAVIS: This is in reaction to that  
16 attention that we want to focus in on and hopefully we  
17 will move this ahead. Now the staff is very  
18 enthusiastic about the plans for this and I really think  
19 this in association with regionalization will do away  
20 with this persistent problem of by-product material  
21 overuse.

22                  COMMISSIONER AHEARNE: Can we back though to  
23 those 18 staff years. I am just trying to find out what  
24 it is that you would have done with those 18 that the  
25 EDO has concluded that you need not do?

1           MR. DAVIS: I would do more of a lot of things  
2 that I am going to do less of.

3           (Laughter.)

4           COMMISSIONER AHEARNE: That is about as  
5 informative as the answer I have in writing here, but I  
6 would like a little bit more specifics.

7           COMMISSIONER GILINSKY: Well, I guess he has a  
8 much larger incentive to make sure this new system works.

9           MR. DAVIS: That is one, but we were  
10 developing national program area management. When the  
11 regions go out to the field, we are working towards a  
12 system to formalize how do we appraise to be certain  
13 that the licenses are issued with adequate regard to  
14 technical adequacy and consistency. I thought that it  
15 would take more manpower than the EDO thought.

16           CHAIRMAN PALLADINO: Were you making the same  
17 assumption as the EDC about the new procedures for  
18 handling the materials licensing activities? I think  
19 the assumption was made that those would be established  
20 in '83 and that they would begin to bear fruit in '84 so  
21 that the staff years required would go down.

22           Now you may have assumed that this wouldn't be  
23 as perfect a match and therefore needed additional  
24 staff. I am not trying to put words in your mouth, but  
25 that is the way I understood it.

1           COMMISSIONER AHEARNE: Lest this be viewed as  
2 quibbling about some small marginal difference, this is  
3 a 40 percent reduction in the request on an item. It is  
4 not a small difference. A 40 percent reduction has to  
5 mean substantial changes in what was estimated would be  
6 done.

7           MR. DAVIS: The major piece of that is the  
8 backlog control. Then there was this national program  
9 management, to set up a program for that. The other was  
10 to provide technical assistance to the regions.

11           Now you must recognize that national program  
12 management we have no experience in. Technical  
13 assistance to the regions, it has not been provided on  
14 the basis of their doing licensing out there. So we  
15 don't know what that will be. We have operational data  
16 review, and I was going to upgrade operational data  
17 review, and the basis of what Bill told me was to keep  
18 it what it is, and I can live with keeping it what it  
19 is. Then we were looking at some increase in training.  
20 Then the rest was cutting the backlog.

21           COMMISSIONER AHEARNE: Bill, I have then two  
22 questions for you.

23           First, why did you conclude that reducing the  
24 backlog was not ---

25           MR. DIRCKS: This particular activity has

1 about 12 different items in it. The biggest one is the  
2 backlog issue. I think the office request was for 23.6  
3 man-years that was cut to 13.8. Essentially what we are  
4 doing is rather than staff up with federal employees to  
5 reduce this backlog, we are hoping and betting that the  
6 new system could deal with this backlog in fiscal '84  
7 and '85. That is ten.

8           COMMISSIONER AHEARNE: That is the issue I  
9 wanted to raise. So it is basically that John is saying  
10 he was putting people in to carry through during this  
11 interim period, and you might say it is a hedge against  
12 it not working, and you are betting it will work.

13           MR. DIRCKS: I am hoping it will work. I am  
14 just saying let's grit our teeth and live with the  
15 backlog for about another year or so until it does work.

16           COMMISSIONER AHEARNE: The second question I  
17 had is why does this written answer that I was provided  
18 bear absolutely no resemblance to the explanation that  
19 has just been given? I don't expect an answer ---

20           MR. DIRCKS: I have no idea right now.

21           COMMISSIONER AHEARNE: In a follow-up  
22 corollary should I place equivalent confidence in any of  
23 the other answers?

24           MR. DIRCKS: I got them this morning. So I  
25 will have to read them, too, to see how much confidence

1 I have.

2 (Laughter.)

3 CHAIRMAN PALLADINO: Do you have more  
4 questions?

5 COMMISSIONER AHEARNE: Not right now.

6 CHAIRMAN PALLADINO: Jim?

7 COMMISSIONER ASSELSTINE: I have just one  
8 question. The staff years for '82 to '83 for NMSS goes  
9 from 320 to 308, a reduction of 12. Then there are a  
10 number of accomplishments that are projected on page 7.  
11 Apart from some of those, are there other things that  
12 are being done that will enable you to go from 320 to  
13 308 without comparable reductions in what you are doing,  
14 or are there areas where you have to reduce what you are  
15 now doing in order to accommodate that reduction of 12  
16 staff years?

17 MR. DAVIS: The largest portion of that is the  
18 reduction in casework, in fuel cycle licensing and in  
19 safeguards plant life as opposed to reactor licensing.  
20 We also recognize there is a turndown in the effort  
21 required for regulation writing in fuel cycle  
22 safeguards. There is one delay associated with it, and  
23 that is the delay in performance or regulatory  
24 effectiveness reviews where we have basically slid into  
25 outyears the number we had originally projected.

1           COMMISSIONER ASSELSTINE: How many people is  
2 that involved in staff years?

3           MR. DAVIS: That is less than one for that  
4 particular one.

5           COMMISSIONER ASSELSTINE: So other than that  
6 one or less than one or fraction of one staff year, all  
7 the balance is taken care of by reductions essentially  
8 in caseload?

9           MR. DAVIS: And in overhead.

10          COMMISSIONER ASSELSTINE: That is the only  
11 question I have in NMSS.

12          CHAIRMAN PALLADINO: Tom?

13          COMMISSIONER ROBERTS: No.

14          CHAIRMAN PALLADINO: I wonder if we could go  
15 on then to inspection and enforcement. Here again we  
16 have slides 10, 11 and 12 that relate to inspection and  
17 enforcement.

18                 Slide 10 shows the total resources in terms of  
19 staff years and program support for I&E at headquarters  
20 and in the regions. Also listed are the major planned  
21 accomplishments to be performed at headquarters,  
22 staffing decreases in fiscal year '83 and '84, and then  
23 increases in '85 to above the current level. This is in  
24 total. The program support function increased by almost  
25 70 percent for fiscal '85. Decreases in I&E at

1 headquarters are due mostly to a reduction in program  
2 development, regional assessment activities and  
3 increased regionalization. Increases in program support  
4 funds is due to the nuclear data link.

5           Then on Slide 11 we have the major planned  
6 accomplishments for I&E activities to be performed in  
7 the regions and regional efforts will be in the areas of  
8 resident regional inspections, power reactor  
9 construction inspections and systematic assessment of  
10 licensee performance.

11           Then Chart 12 summarizes the I&E resources in  
12 terms of decision units, and this is the headquarters  
13 and the regions shown at the bottom.

14           Now I should note an item that already has  
15 raised questions by the Commissioners, a significant  
16 change in I&E that we might want to address.

17           I don't know if you have specific questions  
18 you would like to ask or should I ask them so I don't  
19 have to answer them?

20           (Laughter.)

21           CHAIRMAN PALLADINO: Well, let me give you an  
22 assumption because I did have a significant impact in  
23 this area, and then I think we ought to hear from Dick  
24 DeYoung to see what he feels the impact is.

25           I felt that we had a significant amount of



1 engineering support in I&E and that some of that now no  
2 longer is needed there because it exists in other  
3 areas. The regions have begun to develop a habit now of  
4 calling the other areas and don't need quite the liaison  
5 activity that existed in I&E, and this was the major  
6 area where I thought we might be able to make some  
7 reductions.

8           Now I am quite sure that I&E has other views  
9 on it, and I think the Commission ought to hear those  
10 because this could be an area where you may feel that  
11 the reductions were too great.

12           COMMISSIONER AHEARNE: You pointed out that  
13 there were some changes in one direction. Do you see  
14 any changes in other directions? As I recall, there  
15 were three items that at one time or another were  
16 discussed to some extent about I&E headquarters  
17 functions, a QA/QC program for the agency and a  
18 construction inspection or PAT, and I wondered what  
19 assumptions you had ---

20           COMMISSIONER GILINSKY: Let me just throw in  
21 one comment here, too. When the previous Director of  
22 I&E was appointed, Vic Stello, I recall that we urged  
23 him to beef up I&E, and he create the technical muscle,  
24 so to speak, of that office. I don't have a real good  
25 feeling for how effective the various parts of it are,

1 but I hope that we are not sort of wrapping up one time  
2 around and then saying well, that wasn't the right thing  
3 to do and people ought to go ---

4 CHAIRMAN PALLADINO: Well, the Commission  
5 still has a chance to interact on that. You know, here  
6 you have got a new boy on the block and he looks at  
7 things differently, and not necessarily any better than  
8 the old way. But it did seem to me we are transferring  
9 a number of the activities out to the regions, except  
10 for the construction appraisal team, which I would like  
11 to see implemented, and maintaining the PAT program.

12 COMMISSIONER GILINSKY: I think in the past  
13 there was a sense ---

14 CHAIRMAN PALLADINO: The development of the  
15 procedures, that I think is an essential activity that  
16 has to continue.

17 COMMISSIONER GILINSKY: --- there was a sense  
18 that as we shifted over to more emphasis on operating  
19 reactors that there would be large reform in I&E. Now  
20 to a large extent we are shifting some of that into the  
21 regions.

22 CHAIRMAN PALLADINO: Into the regions, yes.

23 COMMISSIONER GILINSKY: But the NRR is keeping  
24 the rest of it. In a sense I&E is getting squeezed  
25 out. There are all sorts of ways responsibilities could

1 be allocated.

2           COMMISSIONER AHEARNE: What slightly puzzles  
3 me is that in the regionalization in essence the large  
4 field effort was in I&E and headquarters was more or  
5 less the headquarters of that. It was the other  
6 organizations that had basically no field operation. So  
7 I am a little puzzled by why we would find that as we  
8 regionalize, which to a large extent means moving the  
9 other offices out there, we then take big cuts in  
10 headquarters I&E.

11           CHAIRMAN PALLADINO: Well, you move some  
12 technical support people out to the field so there is an  
13 opportunity for closer interaction in the field. The  
14 liaison activity was necessary when you had a different  
15 organizational structure whereby the regions reported to  
16 I&E so they had the obligation to be the filter point  
17 for questions from the region and then getting feedback  
18 from other areas on what the answers were.

19           I think one of the comments I remember Harold  
20 Denton making in discussions was, oh, yes, we are seeing  
21 a lot more inquiries directly from the regions. So I  
22 will defend it that far.

23           I realize it was a significant cut and I  
24 pointed that out so that we can deal with it if the  
25 approach you feel ought to be different.

1           COMMISSIONER GILINSKY: Well but we would in  
2 effect be leaving NRR as the office that at least deals  
3 with operational problems rather than I&E that brings  
4 the agency's technical resources to bear. So the people  
5 who used to be reviewing licenses are now going to deal  
6 with the operational problems.

7           CHAIRMAN PALLADINO: Now wait, you  
8 characterize NRR as though all it did was review the  
9 licenses. They are a reservoir of important technical  
10 assistance and it is a question of philosophy whether  
11 you want to have them more concentrated or distribute  
12 them to units.

13           COMMISSIONER GILINSKY: Well, you know, we  
14 always have the problem of, first of all, deciding who  
15 is responsible for what, and I had a thought a certain  
16 shift of responsibility would take place as we shifted  
17 toward more reactors in the field from NRR to a more  
18 operationally oriented office such as I&E.

19           I mean the other problem is making sure there  
20 are uniform standards throughout the country in  
21 inspection and QA and so on, and for that purpose we  
22 need some sort of a central office.

23           CHAIRMAN PALLADINO: We haven't eliminated it.

24           COMMISSIONER GILINSKY: Yes, but the effect of  
25 all this is really to tremendously down play that

1 office. Now it may be that parts of it are not as  
2 effective as they ought to be. You know, not having  
3 participated in your reviews, I am not as able to  
4 comment on them as you are at this point.

5 CHAIRMAN PALLADINO: Well, I explained what  
6 led me to it. I didn't think we had hurt the budget.  
7 If you look at the decision units of reactor  
8 construction inspection and there is 20, and then 20,  
9 and then 21. That is not a reduction.

10 In reactor operations inspection, yes, there  
11 is a reduction, but that is in part because there is  
12 more field work.

13 Engineering and quality assurance, that is an  
14 area where I expected to see some cut-back.

15 COMMISSIONER GILINSKY: Well, let's see, I  
16 thought John was raising the question as to who is going  
17 to be responsible for QA efforts in his agency. I felt  
18 we were shifting, or at least there was some inclination  
19 to place those responsibilities in this office.

20 CHAIRMAN PALLADINO: Well now, that is the  
21 part that I was hoping would come out of our QA  
22 discussion the other day.

23 COMMISSIONER GILINSKY: Well, we didn't get  
24 much out of our QA discussion.

25 CHAIRMAN PALLADINO: Well, what I have asked

1 the EDO is to meet with me to try to understand what was  
2 the hidden agenda in that meeting that we didn't get to  
3 the bottom of so that we can understand ---

4 COMMISSIONER AHEARNE: Whose hidden agenda?

5 CHAIRMAN PALLADINO: Well, I read inside NRC  
6 things that I don't find here.

7 (Laughter.)

8 CHAIRMAN PALLADINO: And I want to understand  
9 what the program ---

10 (Laughter.)

11 CHAIRMAN PALLADINO: I agree with you that we  
12 haven't settled all those issues.

13 COMMISSIONER AHEARNE: Focusing specifically  
14 on that question, was the program office request for 55  
15 people predicated upon such a consolidation?

16 MR. DIRCKS: Yes.

17 COMMISSIONER AHEARNE: So that the difference  
18 between the 55 and 35 in both '84 and '85 represents --  
19 are you saying no?

20 MR. DIRCKS: Not all of it. I think we are  
21 talking about 15. We were talking about 15 staff years  
22 making a difference between consolidating it all in I&E  
23 or not consolidating it all in I&E.

24 COMMISSIONER AHEARNE: Now what do you have  
25 embedded in here elsewhere? If this went to 55 does



1 that mean that there are other offices in the agency  
2 that would be reduced?

3 MR. DIRCKS: Yes.

4 COMMISSIONER GILINSKY: Now let's see, is  
5 there a breakdown somewhere on the regions according to  
6 these categories of reactor construction inspection and  
7 reactor operations inspection because you go to great  
8 lengths to break down 162 staff years, but lump 704 in  
9 one category.

10 CHAIRMAN PALLADINO: You have a handout, an  
11 earlier one on the regions.

12 MR. BARRY: Are you talking about the  
13 breakdown on the regional total?

14 COMMISSIONER GILINSKY: Well, it is not the  
15 regional total. I assume it is the regional inspection  
16 and enforcement complement. I assume that that is not  
17 the regional total.

18 MR. BARRY: You mean the 693, the 704 and the  
19 722?

20 COMMISSIONER GILINSKY: Yes.

21 MR. BARRY: That is the total only for the I&E  
22 function in the regions.

23 MR. DeYOUNG: That is the regional total for  
24 the I&E function.

25 COMMISSIONER GILINSKY: I know, but this



1 headquarters total is 162. Now did you break those down?

2 MR. DIRCKS: Yes, in the book it is broken  
3 down. If you look at your cards here, if you will look  
4 at regional operation ---

5 COMMISSIONER GILINSKY: Well, I am working off  
6 these slides. They break down the small part and don't  
7 break down the large part.

8 COMMISSIONER AHEARNE: I am looking at the  
9 regional operations. Where would you have me look?

10 MR. BARRY: If you are looking for a regional  
11 total, I, II, III, IV and V, by function, you know how  
12 much for NRR, how much for I&E and so on.

13 COMMISSIONER GILINSKY: I want to know how  
14 many are on reactor construction inspection and how many  
15 on reactor operations inspection? Tell me where to look?

16 MR. BARRY: It is page 2.

17 COMMISSIONER AHEARNE: Page 2 of what?

18 MR. BARRY: You don't have it.

19 (Laughter.)

20 MR. BARRY: We didn't go to that level of  
21 detail.

22 COMMISSIONER AHEARNE: But Commissioner  
23 Gilinsky raises a valid point that we are given the  
24 breakout to that level for the 162 but we are given that  
25 level for the over 700.

1 MR. BARRY: Yes.

2 CHAIRMAN PALLADINO: Is that in a form that  
3 can be made available?

4 MR. BARRY: Yes, sir.

5 CHAIRMAN PALLADINO: Could you read off some  
6 of the headings?

7 MR. BARRY: Yes. Reactors-commercial  
8 operation; reactors-start-up testing; reactors under  
9 construction; reactors-preoperational testing; Clinch  
10 River Breeder Reactors ---

11 COMMISSIONER AHEARNE: It is not the same.

12 CHAIRMAN PALLADINO: Well, you would expect  
13 the breakdown to be different in the regions by cut.

14 COMMISSIONER AHEARNE: Not necessarily.

15 CHAIRMAN PALLADINO: Do you have emergency  
16 preparedness in the regions broken out?

17 COMMISSIONER AHEARNE: Yes, they do.

18 MR. BARRY: Yes.

19 COMMISSIONER AHEARNE: Perhaps you can give us  
20 that.

21 CHAIRMAN PALLADINO: Yes, why don't you get  
22 that reproduced.

23 COMMISSIONER AHEARNE: Can you tell me what i  
24 the I&E headquarters in '84 and '85 is allocated to PAT?

25 MR. DeYOUNG: Seven.

1 COMMISSIONER AHEARNE: In each year?

2 MR. DeYOUNG: In each year.

3 COMMISSIONER AHEARNE: What is it in '82 and  
4 '83?

5 MR. DeYOUNG: It will be the same seven.

6 COMMISSIONER AHEARNE: How about in  
7 construction permits, CAT?

8 MR. DeYOUNG: We are just about to start and  
9 that will be I think about six people. We are not sure  
10 how large the team will be, but we are committed to  
11 develop one by the fall.

12 COMMISSIONER AHEARNE: But the budget has to  
13 be based upon some assumption.

14 MR. DeYOUNG: Yes.

15 COMMISSIONER AHEARNE: Six in '84 and '85?

16 MR. DeYOUNG: Yes, and six in '83 also.

17 COMMISSIONER AHEARNE: Those would end up  
18 being embedded in CAT under reactor construction and PAT  
19 under operations?

20 MR. DeYOUNG: There will be people we draw  
21 from all the other decision units, including training  
22 staff from Chattanooga.

23 COMMISSIONER AHEARNE: Does that seem like a  
24 larger number?

25 CHAIRMAN PALLADINO: I am sorry. I should

1 have been listening.

2 COMMISSIONER AHEARNE: The construction  
3 appraisal team, they have six people.

4 CHAIRMAN PALLADINO: How many do you have in  
5 PAT?

6 MR. DeYOUNG: Seven people. There are seven  
7 in PAT and six in the construction appraisal team.

8 MR. DIRCKS: Now that is a subset under your  
9 reactor construction inspection?

10 MR. DeYOUNG: Yes, it is. We haven't had much  
11 time to develop this. We didn't know we were going to  
12 be required to have a CAT team this year.

13 CHAIRMAN PALLADINO: Actually that is over in  
14 the PPG, isn't it? I forget what we said in the PPG  
15 about the construction appraisal teams. I am not sure  
16 that ---

17 MR. DIRCKS: I think you said it in a SECY  
18 memo following the CAT briefing.

19 CHAIRMAN PALLADINO: Based on the experience  
20 with PAT it seems like a reasonable start.

21 COMMISSIONER AHEARNE: Well, it is a two-year  
22 plan.

23 CHAIRMAN PALLADINO: I gather these teams are  
24 to make appraisals. They are not going out and visit  
25 every plant.

1 MR. DeYOUNG: No.

2 CHAIRMAN PALLADINO: They will make selected  
3 appraisals.

4 MR. DeYOUNG: Yes.

5 COMMISSIONER GILINSKY: You might have covered  
6 this, but what precisely are they going to do?

7 MR. DeYOUNG: The CAT would do it for the  
8 construction, for the plant under construction, do an  
9 independent inspection appraisal of that plant as we do  
10 with PAT for the operators.

11 COMMISSIONER GILINSKY: So it is kind of a  
12 check on our own inspection system?

13 MR. DeYOUNG: Partly.

14 COMMISSIONER GILINSKY: Are many such teams  
15 are we budgeting for?

16 MR. DeYOUNG: Six people make one team. They  
17 may not be the same people at each plant, but we are  
18 going to try to do at least one CAT inspection at each  
19 region every year. The smaller regions, they don't have  
20 that many plants. So one year there may be two at one  
21 of the larger regions and none at one of the smaller  
22 regions, but we haven't developed a program yet.

23 COMMISSIONER GILINSKY: And these will be out  
24 of headquarters?

25 MR. DeYOUNG: All out of headquarters.

1           COMMISSIONER GILINSKY: And how many PAT teams  
2 where there be?

3           MR. DeYOUNG: One. I think we got the  
4 approval of the Commission for the reduced plan that we  
5 propose with heavy reliance upon INPO activity and  
6 monitoring by the staff. So there will be one full team.

7           COMMISSIONER GILINSKY: We are not relying on  
8 INPO to check on our inspection?

9           MR. DeYOUNG: No, no. They have a program  
10 that does a lot of the same types of inspections at each  
11 operating plant. We are going to take advantage of  
12 that. We will have observers at some of those  
13 inspections and we review all their reports and files in  
14 their offices.

15           COMMISSIONER GILINSKY: Let's see, I thought  
16 their inspections are more or less comparable to our  
17 SALP process.

18           MR. DeYOUNG: PAT.

19           MR. DIRCKS: PAT's are an input into SALP.

20           MR. DeYOUNG: An input to SALP, a big input.

21           COMMISSIONER GILINSKY: And we are going to  
22 rely on their inspections?

23           MR. DIRCKS: No.

24           MR. DeYOUNG: Not without monitoring and  
25 observation.

1 MR. DIRCKS: Jim, would you step in.

2 MR. O'REILLY: In regards to SALP, SALP is run  
3 right now a hundred percent by the regions, and by run I  
4 mean controlled, with input from various sources. We  
5 use every source that is available. We do use the PAT  
6 team results, we use the ---

7 COMMISSIONER GILINSKY: The PAT's are out of  
8 headquarters?

9 MR. O'REILLY: Absolutely, yes, sir.

10 COMMISSIONER AHEARNE: Well, run out of  
11 headquarters but they use a lot of regional people.

12 MR. O'REILLY: Well, really the PAT team  
13 people have been using regional people, but regional  
14 people that have been fully assigned full time to and  
15 under the control of the headquarters and usually they  
16 are used at other regions to give it that independent  
17 look.

18 The INPO evaluations I look at as just an  
19 extra. It is a plus. It is not a factor ---

20 COMMISSIONER GILINSKY: I am pleased to see  
21 INPO doing all these things, but I don't like to see us  
22 relying on their inspections.

23 MR. DIRCKS: We are not relying on them.

24 COMMISSIONER GILINSKY: They have their  
25 responsibilities and we have our responsibilities.



1           MR. O'REILLY: If I can say a word about CAT.  
2 The construction program of course is being updated and  
3 modified. Similar programs are run when we complete the  
4 normal inspection modules. This CAT team going around  
5 is to see a number of things, but one is to assure that  
6 our evaluations are uniform between regions and that  
7 they are in sufficient depth, and also to see whether or  
8 not their own programs are ---

9           COMMISSIONER GILINSKY: So they will be  
10 evaluating licensee management in the construction area,  
11 too.

12           MR. O'REILLY: To supplement the regions and  
13 to input the overall SALP program.

14           COMMISSIONER GILINSKY: Let me ask you, and I  
15 don't know whether you have gotten into this, but what  
16 about resident inspectors? What should this slide tell  
17 me about how many resident inspectors there will be at,  
18 say, construction sites?

19           MR. DIRCKS: I have to look at the regions for  
20 that.

21           COMMISSIONER GILINSKY: Is there another slide  
22 somewhere?

23           CHAIRMAN PALLADINO: I think we are going to  
24 have to get you the current breakdown.

25           COMMISSIONER GILINSKY: Well, if you can just

1 tell me?

2 MR. O'REILLY: In construction only or all ---

3 COMMISSIONER GILINSKY: Why don't you cover  
4 all of them.

5 COMMISSIONER AHEARNE: Both, yes.

6 MR. O'REILLY: Altogether we have budgeted on  
7 the average over the years approximately 150 residents.

8 COMMISSIONER ASSELSTINE: How many do we have  
9 right now?

10 MR. O'REILLY: The last number I heard ---

11 MR. DIRCKS: Let me give you '83. Do we have  
12 '82?

13 MR. O'REILLY: I know it is 150. 153 is the  
14 budgeted total.

15 COMMISSIONER GILINSKY: That is the total.

16 MR. O'REILLY: The budgeted number.

17 CHAIRMAN PALLADINO: For which year?

18 MR. DIRCKS: For '82.

19 MR. O'REILLY: The last time I counted I think  
20 it was 139 is the actual number of residents. The  
21 budgeted number I think was 153, and there were some  
22 reasons for that difference.

23 MR. DIRCKS: I can give you '83.

24 CHAIRMAN PALLADINO: That was for '82?

25 MR. O'REILLY: Yes, sir.

1 MR. DIRCKS: For '83 it is 155. That is 120  
2 at operating plants and 34 construction sites.

3 COMMISSIONER GILINSKY: That sounds like two  
4 per operating plant and one per construction site.

5 MR. O'REILLY: I think that is about how it  
6 averages out.

7 COMMISSIONER GILINSKY: Now we have talked  
8 about this before, but I must say my own ---

9 MR. DIRCKS: And one, by the way, at NFS  
10 Erwin.

11 COMMISSIONER GILINSKY: As to where one would  
12 put additional inspectors, but it seems to me that at a  
13 construction site where you have got a lot of things  
14 happening and a lot of activities that there ought to be  
15 two NRC inspectors.

16 COMMISSIONER ASSELSTINE: I have got a concern  
17 about having less than two at any site.

18 CHAIRMAN PALLADINO: What would it cost us in  
19 terms of staff power to go to two inspectors at every ---

20 MR. DIRCKS: In fiscal '83 in order to get at  
21 least two residents per site it would be 21 additional  
22 for operating sites and 34 additional for construction.

23 CHAIRMAN PALLADINO: Is that a total of 50?

24 MR. DIRCKS: Fifty-five.

25 COMMISSIONER GILINSKY: Which operating sites

1 is there one resident? Is it the smaller ones?

2 MR. DeYOUNG: Wherever we have one-unit  
3 plants. Some of the one-unit plants have only one  
4 resident, about half of them. Half of the single-unit  
5 sites have only one resident.

6 COMMISSIONER GILINSKY: These are the ones  
7 that have the most problems?

8 MR. DeYOUNG: Some of them and we are planning  
9 to go into a program where, except for those that have  
10 special problems, at single-unit sites we will only have  
11 one.

12 COMMISSIONER GILINSKY: At all single-unit  
13 sites?

14 MR. DeYOUNG: Except for special circumstances.

15 COMMISSIONER GILINSKY: I guess I am not sure  
16 that is a good idea. I mean there are some that ---

17 COMMISSIONER AHEARNE: That is not a change in  
18 policy.

19 MR. DeYOUNG: That is the policy.

20 MR. DIRCKS: That is the policy.

21 COMMISSIONER ASSELSTINE: But the policy  
22 earlier on was not to have at least two residents at  
23 every site?

24 MR. DIRCKS: No.

25 COMMISSIONER ASSELSTINE: That was never a

1 policy?

2 MR. DIRCKS: No.

3 COMMISSIONER GILINSKY: There are some very  
4 small plants that have two residents.

5 MR. DeYOUNG: True.

6 COMMISSIONER GILINSKY: And other larger  
7 plants that have one. I would say, you know, there are  
8 plants in which one resident I think would probably be  
9 okay, but at the large power reactors I would say a  
10 couple of residents is not unreasonable.

11 CHAIRMAN PALLADINO: I think that is a policy  
12 question we ought to address. We may want to change it.

13 COMMISSIONER GILINSKY: It also means you get  
14 coverage ---

15 COMMISSIONER AHEARNE: Could I ask you whether  
16 you have any concern about the type of person who is a  
17 resident in training or anything like that, experience,  
18 or is just having someone there with a label as a  
19 resident?

20 COMMISSIONER GILINSKY: No, I think we want  
21 good people obviously.

22 COMMISSIONER AHEARNE: What kind of  
23 requirements would you put on them?

24 COMMISSIONER GILINSKY: Well, I think the  
25 people we have there that I have run into I have been

1 rather impressed with. Somebody has been picking pretty  
2 good residents.

3 COMMISSIONER ROBERTS: I agree with that.

4 COMMISSIONER AHEARNE: Do you have any sense  
5 though of the experience or background either in or out  
6 of the NRC that you feel would be necessary for this?  
7 The reason I am asking is that, as Jim has pointed out,  
8 we are substantially below the number we have budgeted  
9 now, and one of the reasons is it is difficult to find  
10 enough people to fill the slots to meet the standards.

11 COMMISSIONER GILINSKY: Well, there is also  
12 the question of whether the next inspectors that are put  
13 in the region are put at the site. I think you were  
14 inclined to say they are put in the region at least  
15 right now.

16 MR. O'REILLY: There is a number, you know,  
17 based on overall resources, that you will have to make a  
18 tough decision on.

19 COMMISSIONER GILINSKY: I understand that. At  
20 the same time we have run into plants where we have  
21 problems and the residents I think ---

22 MR. O'REILLY: Well, the regions, you know,  
23 one of the things that we do, is we have put at the  
24 problem plants, in the decision units by I&E and by the  
25 regions in our discussions, extra residents.



1           COMMISSIONER GILINSKY: It would seem to me  
2 that a lot of construction sites, that it helps to catch  
3 the problems early, particularly if you have a QA system  
4 that isn't working right or isn't set up right, and we  
5 have caught a lot of these problems pretty late in the  
6 game.

7           MR. O'REILLY: Well, the resident probably  
8 would be involved in catching those problems late in the  
9 game. Some of the focus we are talking about is putting  
10 it a little earlier in the game, you know, for some of  
11 our people in our QA organizations to go out and upgrade  
12 modules to address the managerial systems and the  
13 licensee's activities, you know, in designing and  
14 managerially implementing their programs.

15           COMMISSIONER GILINSKY: Well, obviously it is  
16 not a simple question, and I recognize that there are  
17 arguments on both sides.

18           CHAIRMAN PALLADINO: I want to ask Jim a  
19 question. Do you get comments or complaints from  
20 resident inspectors where they are operating alone? For  
21 example, I think I would find it difficult to be at a  
22 plant and be the only resident inspector. I am just  
23 talking from a personal sense. I was wondering how the  
24 inspectors feel about it?

25           MR. O'REILLY: I think that would be a comment



1 you would hear from a lot of them, sir, yes. You would  
2 hear that from the regional inspectors, too. I mean  
3 there are not a lot of free people around. But the  
4 level of support provided to the residents by the  
5 regions is an important factor because a lot of our most  
6 substantive safety problems are detected by our  
7 specialists that come to the site that provide this  
8 oversight, this uniformity and this in-depth review. So  
9 what you plan to get out of the resident versus some of  
10 the visiting inspectors who see all the sites and are  
11 more atuned to a lot of the current problems should not  
12 be dismissed.

13           COMMISSIONER AHEARNE: Dick, this has been a  
14 question that has been around for a long time, the issue  
15 of the regional based versus the residents and the one  
16 versus two residents. I guess you have had about what,  
17 close to six years experience or five years of  
18 experience with residents.

19           MR. DeYOUNG: Five years.

20           COMMISSIONER AHEARNE: Do you have any kind of  
21 review or statistics or anything which would enable you  
22 to be able to put more than anecdotal conclusions around  
23 where it is better to put the next level of effort?

24           MR. DeYOUNG: It is hard to say that I am  
25 completely in favor of balanced systems, especially on

1 construction sites. I don't know whether it would be  
2 good to put two residents at a construction site because  
3 of the timing of the work being done and the vast  
4 differences between concrete work, mechanical work,  
5 welding, and all of the different things that they do  
6 during the construction of the plant.

7 To put a resident there that is expert in  
8 concrete, for example, he would be wasting his time for  
9 a lot of the time that he spends there. It is more  
10 effective I think to have one resident at each  
11 construction site and keep experts in the regional group  
12 to go to each and every site for just specific things.

13 At the same time I have spoken to a lot of  
14 residents and they have told me over and over again that  
15 when they are alone they put out one unit of work and  
16 When they have a second resident there that it is much  
17 more than two units of work. The complement each other  
18 and they are a sounding board for each other.

19 So to me the resident is a very, very  
20 effective regulatory tool, and I think one of the most  
21 effective we have. At the same time, you do need the  
22 experts.

23 COMMISSIONER GILINSKY: Well, it is clear that  
24 you need both. The question is does it make sense ---

25 MR. DeYOUNG: We are in a crunch now where

1 each one means something. We have scrunched down on  
2 this to permit the regions to go to one resident at each  
3 single unit site. We said this is our policy and  
4 implement it to save that half a dozen people for the  
5 regions. You know, there is no more fat in the  
6 organization. We have been reduced by 25 from what we  
7 thought we had to have in the beginning.

8 I think we can do the job we have with that  
9 much, maybe not, but we will see it. We will scream if  
10 we can't. But it gives us an opportunity to demonstrate  
11 our management abilities. There are things that can be  
12 done. You know, I think we have a very difficult job  
13 here of where these individuals go in the regions,  
14 whether regional specialists or resident inspectors.  
15 There is no good answer. You have to almost look at  
16 every site specifically by itself and see whether maybe  
17 one more resident there would do a better job. I think  
18 at Zimmer, for example, the answer would have been yes,  
19 that we should have had another resident there, but that  
20 is hindsight.

21 CHAIRMAN PALLADINO: This question of how many  
22 inspectors to have at each of the plants I understand is  
23 a policy item that has been voted on by the Commission.  
24 There may be new facts now that would cause you to  
25 prepare a different proposal, and it might be valuable

1 to examine the issue and produce a judgment paper that  
2 could be considered by the Commission.

3 MR. DIRCKS: All right.

4 CHAIRMAN PALLADINO: And if we want to go to  
5 two people, we can do it, but I think we should vote on  
6 it as formally as the previous policy was set.

7 Jim.

8 COMMISSIONER ASSELSTINE: Mine is a practical  
9 question to Jim. If a decision were made to increase  
10 the number of residents, how feasible it it, give as  
11 John as pointed out, that we are now below strength, how  
12 feasible would it be to plan say by the end of fiscal  
13 year '83 to increase the number of residents to have at  
14 least two per site? Can you acquire and train the kind  
15 of people you want, particularly if you also want to  
16 give them say a minimum of a year's worth of experience  
17 in the agency or in the region before you put them out  
18 at a site?

19 COMMISSIONER AHEARNE: We don't require that.

20 COMMISSIONER ASSELSTINE: Yes, if you don't  
21 require it, but if you wanted to.

22 COMMISSIONER AHEARNE: We should but we don't  
23 require it.

24 MR. O'REILLY: If the Commission decides to we  
25 could staff it by the end of fiscal '83. You made a

1 statement about us being understaffed. We are not  
2 understaffed. The numbers that were budgeted were keyed  
3 into certain plants moving along and there were  
4 cancellations. The regions are up to speed and all the  
5 sites are staffed in accordance with the policy, but  
6 there were a number of other things. The budgeted  
7 numbers were really budgeted for last year and a lot of  
8 things have occurred since then. So I thought maybe I  
9 had left the wrong impression, but the sites are staffed  
10 today.

11 CHAIRMAN PALLADINO: How many would you need  
12 above the present ceiling to make that two?

13 MR. DIRCKS: 55.

14 CHAIRMAN PALLADINO: You gave me 55. But  
15 since circumstances have changed, and you said the 153  
16 is really more than you need ---

17 MR. O'REILLY: I think that number was  
18 predicated on our independent study.

19 MR. DIRCKS: What we are budgeting for in '83  
20 under the present policy is 155. If you wanted to  
21 change the policy to put two at each site, both  
22 construction and operating, there would be an additional  
23 55.

24 CHAIRMAN PALLADINO: And you counted those  
25 slots that are not being used?

1 MR. DIRCKS: We counted what would be the  
2 anticipated need in fiscal '83.

3 COMMISSIONER AHEARNE: Jim, I seem to recall  
4 somewhere reading that currently your second resident  
5 you don't require to have any length of time in the NRC;  
6 is that correct?

7 MR. O'REILLY: That is correct.  
8 Qualifications are required and a certain amount of  
9 experience. We don't hire, you know, new recruits for  
10 these positions. We have hired some directly into the  
11 sites, but they wouldn't report to the sites without  
12 going through our training program at Chattanooga and  
13 also it would be under in those cases, always under the  
14 direction of the senior qualified individual. There  
15 would be no reductions in the senior's qualification.  
16 We are just talking about the extra resident at  
17 multi-plant sites.

18 COMMISSIONER AHEARNE: You are breaking at  
19 four I understood you to say.

20 CHAIRMAN PALLADINO: I have a problem staying  
21 beyond four.

22 COMMISSIONER AHEARNE: If we are going to  
23 break, perhaps Dick could answer the question that you  
24 had posed earlier, which was basically given that you  
25 have had a substantial reduction in the budget from what



1 you originally requested, what is the impact of that?  
2 What can't you do that you would have planned on doing?

3 MR. DeYOUNG: I would have to say two things.  
4 One, we have taken a quick look at where we would take  
5 the cut and what we would do. The other thing is to say  
6 that we know with a cut of this magnitude that we have  
7 to look at that in a broader way. We now have a  
8 division that has been reduced to 12 people, and that is  
9 no longer a division. We do not need three SES managers  
10 for that division.

11 So it is going to be a realignment to save  
12 management resources in the clerical and program support  
13 people. We just cannot carry that many people again.  
14 So I think we are looking at a realignment to save a  
15 number of these people. In other areas it looks like we  
16 are going to take a generally across-the-board, about a  
17 12 to 20 percent cut, varying with the groups.

18 COMMISSIONER AHEARNE: Can you though focus on  
19 what is the impact of that.

20 MR. DIRCKS: What would you not be able to do?

21 MR. DeYOUNG: There is nothing we are not  
22 going to do of the major program offices. The  
23 Enforcement, just as an example, we propose to reduce it  
24 by one. We have one many in the group now that plans to  
25 retire very shortly and we will not replace him. We



1 think we can get by without that individual and still  
2 produce almost the same quality, but it is in the  
3 quality that you are going to find a slight reduction.  
4 I don't think it is going to be a one of out eight  
5 reduction because I think we will maintain some of that  
6 quality without the individual that is leaving.

7           So I think you are going to see it in quality  
8 and in schedules. I think we slip some schedules. I  
9 think there are many internal things that we will not  
10 do. Research requested us to comment on certain  
11 papers. We are not going to do them. OI requested our  
12 technical assistance on one of the investigations. They  
13 are going to have to fight for it. We are not going to  
14 give it just at their request. They are going to have  
15 to demonstrate that we are the only place they can get  
16 it, and if we gave it last month we are not giving it  
17 again this month. So it is in that type of thing that  
18 we are going to save. We are going to not do a lot of  
19 things, reviews and comments. So that is in quality and  
20 that is in paper.

21           COMMISSIONER GILINSKY: Where are bulletins  
22 prepared.

23           MR. DeYOUNG: Bulletins are prepared in what  
24 we call the engineering quality assurance group. Ed  
25 Jordan has a group that has been reduced from 40 to 35.

1 That is his group. We have a group of people in there  
2 that prepare them put them out.

3 COMMISSIONER GILINSKY: Are any of these  
4 circulars sent from regional offices? Do regional  
5 offices send out anything to the licensees in the nature  
6 of information letters or does that come out of  
7 headquarters.

8 MR. DeYOUNG: That comes out of headquarters.

9 MR. O'REILLY: Recently in the last several  
10 months headquarters took over a more efficient way of  
11 distributing the bulletins, circulars and notices.  
12 Historically since the very beginning the regions  
13 distributed them to the licensees affected within the  
14 region. I&E headquarters, Ed Jordan's group, had always  
15 approved them for the regions to take that action. The  
16 regions do participate, as do other offices within the  
17 agency, in developing issues for bulletins, in drafting  
18 them and submitted them to I&E for, you know, staff  
19 review, coordination, definitely technical input and  
20 upgrading.

21 COMMISSIONER GILINSKY: I must say that in  
22 looking at a number of issues I found that some of these  
23 bulletins take quite a while to get out. I don't know  
24 whether that is because there aren't enough people or  
25 for other reasons. I wonder what the effect on reducing

1 the staff in that area is going to be? Is that a factor?

2 MR. DeYOUNG: Well, as I said, there is going  
3 to be a lengthening of some of the schedules.

4 COMMISSIONER GILINSKY: Do bulletins go  
5 through the CRGR?

6 MR. DeYOUNG: Yes, they do.

7 COMMISSIONER GILINSKY: You know, on the one  
8 hand we are cutting back on the people who are preparing  
9 the bulletins, and, on the other hand, we are beefing up  
10 the people who stop bulletins.

11 COMMISSIONER AHEARNE: Vic, that is an unfair  
12 description of CRGR and you know it. The CRGR's purpose  
13 is not to stop bulletins or stop anything.

14 COMMISSIONER GILINSKY: Well, I will tell you,  
15 I don't think it is not an unfair shorthand description  
16 of how the process works. Now it is ture, the purpose  
17 is to review them and to make sure that they are  
18 sensible and reasonable and so on. But in talking with  
19 the people who do the work, the way they perceive it, I  
20 think it is closer to the way I described it.

21 CHAIRMAN PALLADINO: Well, it is a little bit  
22 like the applicant and the NRC, there is bound to be  
23 some reaction of that nature.

24 COMMISSIONER GILINSKY: Let me put it this  
25 way. You are sort of reducing the people that say yes,

1 and beefing up the people that say no.

2 CHAIRMAN PALLADINO: No. They are coming  
3 basically from the offices in which they are working.

4 COMMISSIONER AHEARNE: Let me ask a question  
5 which might sound impertinent, but I will preface it to  
6 show why it isn't. The Congress gets something called  
7 the Holifield Tables.

8 COMMISSIONER ROBERTS: The way?

9 COMMISSIONER AHEARNE: It is called the  
10 Holifield Tables. It probably isn't even called that  
11 except by the decreasingly small number of people who  
12 happen to remember where they came from. In essence the  
13 Congress is going to ask what did the program office  
14 request, what did the EDO decide, what did the Chairman  
15 decide, what did the Commission decide and what did OMB  
16 decide? Then they will have this layout and will track  
17 where the decisions got made.

18 With that preface, Bill, did you cut I&E or  
19 did the Chairman cut I&E; or, Joe, did you cut I&E or  
20 did the Bill cut I&E?

21 CHAIRMAN PALLADINO: I think Bill cut them  
22 slightly and I cut them harder.

23 (Laughter.)

24 CHAIRMAN PALLADINO: Is that a fair  
25 representation?

1 MR. DeYOUNG: You each did the same job just  
2 about.

3 (Laughter.)

4 COMMISSIONER GILINSKY: You know, if the  
5 office is not doing a good job or less people ---

6 CHAIRMAN PALLADINO: No, it is a question of  
7 where we are going to get some of these resources.

8 COMMISSIONER AHEARNE: It is more than 13 and  
9 12. The cut was from a request of 215 to 158.

10 MR. DeYOUNG: Some of those are not real  
11 numbers.

12 (Laughter.)

13 MR. DeYOUNG: Now the 15 are from the QA group  
14 which is not consolidated. So you take them out of the  
15 215. There were five that we were carrying that are  
16 scheduled for the regions and were there just for  
17 bookkeeping. They were there just for bookkeeping  
18 purposes. That gets it down to 195. The investigators  
19 recently were shifted off. That was four more. So we  
20 quickly get down to number ---

21 COMMISSIONER AHEARNE: So it was about 25 you  
22 would say.

23 MR. DeYOUNG: Twenty-five.

24 COMMISSIONER AHEARNE: Putting aside the QA  
25 consolidation, there was a cut of 25.

1 MR. DeYOUNG: Yes.

2 CHAIRMAN PALLADINO: I have to intercede a  
3 little at this point. I should be leaving right now.  
4 You have various options. One, you could continue here  
5 and I get whatever feedback I can, and what we don't get  
6 done today we do have time to do on Tuesday afternoon.  
7 Or you can postpone it all until Tuesday afternoon,  
8 except that is all we have got. I was hoping we would  
9 have been done through I&E at least before now, but I  
10 gather there are still more questions.

11 COMMISSIONER GILINSKY: There is a question  
12 about some contracts, I&E contracts.

13 CHAIRMAN PALLADINO: Well, would you like to  
14 continue.

15 COMMISSIONER AHEARNE: It is your budget.

16 (Laughter.)

17 CHAIRMAN PALLADINO: Eventually each person  
18 has got to come up with their suggested mark. I would  
19 like to hear the comments.

20 COMMISSIONER AHEARNE: It is more than that,  
21 Joe. The budget we are addressing is the budget you are  
22 proposing to us. In some cases you are the principal ---

23 CHAIRMAN PALLADINO: Well, I think you have  
24 gotten to the place now where I am the principal.

25 (Laughter.)



1           CHAIRMAN PALLADINO: Well, I really do have to  
2 go if I am going to meet the other commitment. Let me  
3 try the following. We do have a number of written  
4 questions that were submitted by Commissioners and you  
5 have gotten some written answers. However, I am not  
6 sure that they have gotten the blessing of the EDO yet.  
7 So I would like to have the EDO get answers to  
8 Commissioners' questions by Monday in written form.  
9 Look them over and be sure that you put your stamp of  
10 approval on them. I think there are some questions that  
11 Commissioner Gilinsky had raised to OPE and I would like  
12 to get the word to OPE also to get those answered.

13           Now I believe the EDO has provided many of  
14 those answers and they have been submitted to OPE. So  
15 the Commissioners can have their responses by Monday.

16           On Tuesday afternoon at 2 p.m. we can resume  
17 this proceeding and I think the schedule would permit us  
18 to go as late as we need to on Tuesday. I don't know  
19 how your schedules are.

20           Then our window gets very tight. I would like  
21 to have each Commissioner by next Thursday give me their  
22 proposed changes, for example, you may want to change a  
23 number in a particular office, so that on Friday I could  
24 look them over and come up with a consolidated package  
25 and get it out to you by Monday so that we can try a



1 notation vote. That already is August 2nd. It take  
2 about a minimum of three weeks I am told to put this  
3 budget together and it is has got to be in September 1st.

4           So I am saying that by the 4th we ought to  
5 have all the notation votes. If we have items of  
6 disagreement that we need to resolve, I would say on  
7 August 4th we would meet in the afternoon to try to  
8 resolve those. Now the window is tight, but if we can  
9 get those questions answered to the Commissioners so  
10 they have a basis for decision.

11           We will resume on Tuesday afternoon, the 27th  
12 at 2 o'clock to continue these discussions and get a  
13 proposed mockup from the Commissioners on the 29th which  
14 I will get out by early on the 2nd a proposed  
15 consolidation and try to get the notation votes by the  
16 4th.

17           I hate to stop a good discussion, but I would  
18 like very much to hear it.

19           MR. DAVIS: May I interject just for a minute  
20 on the problem with the answer to the NMSS question.  
21 Apparently, Commission Ahearne, your question focused on  
22 the materials licensing line for fiscal year 1984 on  
23 page 1 of the Chairman's submittal. The answer to the  
24 question was misread and the answer focused on the  
25 regionalization line for fiscal year '83 on page 2 of

1 the submittal.

2 (Laughter.)

3 MR. DAVIS: We will explain that.

4 COMMISSIONER AHEARNE: Good.

5 CHAIRMAN PALLADINO: Well, I thank you all for  
6 your help and we will look forward to seeing you again  
7 on Tuesday.

8 We will stand adjourned.

9 (Whereupon, at 4:10 p.m., the meeting  
10 adjourned, to be reconvened at 2:00 p.m., Tuesday, July  
11 27, 1982.)

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NUCLEAR REGULATORY COMMISSION

This is to certify that the attached proceedings before the  
COMMISSION MEETING

in the matter of: PUBLIC MEETING - BUDGET BRIEFING

Date of Proceeding: July 23, 1982

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.

Mary C. Simons

Official Reporter (Typed)

Mary C Simons

Official Reporter (Signature)

U. S. NUCLEAR REGULATORY COMMISSION  
CHAIRMAN'S BRIEFING TO THE COMMISSION ON  
FY 1982-1985 BUDGET ESTIMATES

JULY 23, 1982

SUMMARY BY MAJOR FUNCTION

(DOLLARS IN MILLIONS)

(STAFFYEARS IN PFT/FTE)

FUNCTION	FY 1982 CURRENT ESTIMATE	RECOMMENDED LEVEL		
		FY 1983	FY 1984	FY 1985
SALARIES AND BENEFITS	\$139.4	\$138.6	\$143.0	\$141.5
PROGRAM SUPPORT	272.8	276.2	286.5	269.6
ADMIN SUPPORT	44.2	48.0	51.4	55.5
TRAVEL	9.9	10.1	10.7	10.7
EQUIPMENT	7.7	6.6	7.2	6.9
	1/	2/		
TOTAL	\$474.0	\$479.5	\$498.8	\$484.2
STAFFYEARS	3,324	3,303	3,303	3,275

1/ INCLUDES \$465.7M IN FY 1982 NEW BUDGET AUTHORITY PLUS \$8.3M PRIOR-YEAR FUNDING AUTHORITY.

2/ \$479.5M APPROVED BY THE ADMINISTRATION FOR FY 1982, HAS NOT YET BEEN ACTED UPON BY THE CONGRESS.

PERSONNEL AND PROGRAM SUPPORT FUNDING SUMMARY

ORGANIZATION	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
			FY 1983		FY 1984		FY 1985	
	<u>SY</u>	<u>PS \$</u>	<u>SY</u>	<u>PS \$</u>	<u>SY</u>	<u>PS \$</u>	<u>SY</u>	<u>PS \$</u>
REGIONAL OPERATIONS	768	\$ .8	889	\$ 6.2	987	\$ 11.0	1,044	\$ 10.6
NRR HEADQUARTERS	699	41.2	694	44.1	640	33.6	565	30.0
NMSS HEADQUARTERS	318	20.5	274	16.6	256	16.2	254	15.3
IE HEADQUARTERS	195	8.4	162	8.4	158	10.1	156	13.0
RES HEADQUARTERS	286	196.8	271	195.2	260	209.9	260	195.0
COMM STAFF OFFICES	296	1.9	314	1.9	309	1.8	304	1.7
EDO STAFF OFFICES	361	3.2	334	3.8	330	3.9	330	4.0
ADMINISTRATION	402	-	365	-	363	-	362	-
TOTAL	3,325	\$272.8	3,303	\$276.2	3,303	\$286.5	3,275	\$269.6

DECISION UNIT SUMMARY

REGIONAL OPERATIONS

DECISION UNIT	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
			FY 1983		FY 1984		FY 1985	
	<u>SY</u>	<u>PS \$</u>	<u>SY</u>	<u>PS \$</u>	<u>SY</u>	<u>PS \$</u>	<u>SY</u>	<u>PS \$</u>
REACTOR REGULATION	7	\$ -	45	\$1.5	97	\$ 6.8	135	\$ 6.5
MATERIAL SAFETY AND SAFEGUARDS	2	-	34	1.4	52	1.4	55	1.4
INSPECTION AND ENFORCEMENT	693	0.8	704	3.3	722	2.8	738	2.7
PROGRAM TECHNICAL SUPPORT	34	-	44	-	44	-	44	-
MANAGEMENT DIRECTION AND SUPPORT	32	-	62	-	72	-	72	-
TOTAL	<u>768</u>	<u>\$0.8</u>	<u>889</u>	<u>\$6.2</u>	<u>987</u>	<u>\$11.0</u>	<u>1,044</u>	<u>\$10.6</u>



REACTOR REGULATION

ORGANIZATION	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
	SY	PS \$	FY 1983		FY 1984		FY 1985	
			SY	PS \$	SY	PS \$	SY	PS \$
NRR	699	\$41.2	694	\$44.1	640	\$33.6	565	\$30.0
REGIONS	7	0	45	1.5	97	6.8	135	6.5
TOTAL	706	\$41.2	739	\$45.6	737	\$40.4	700	\$36.5

- REDUCE THE OPERATING REACTOR LICENSING ACTION INVENTORY TO ACCEPTABLE LEVEL BY FY 1985.
- COMPLETE DEVELOPMENT OF PLANT SPECIFIC (OPERATING REACTORS) IMPLEMENTATION SCHEDULES FOR NEW AND EXISTING REGULATORY REQUIREMENTS IN EARLY FY 1983.
- COMPLETE SEP PHASE 11 IN FY 1983. INITIATE SEP PHASE 111 AND NREP IN FY 1983.
- PERFORM POWER REACTOR LICENSING REVIEWS BASED ON APPLICANT CONSTRUCTION ESTIMATES.
- CRBR CP DECISION SCHEDULED FOR FY 1984.
- RESOLVE 7 OF THE 14 CURRENTLY IDENTIFIED USI'S BY END OF FY 1983; 3 (INCLUDING PTS) IN FY 1984; AND 4 IN FY 1985. ASSUMES TWO NEW USI'S EACH FISCAL YEAR.
- DEVELOP TECHNICAL RESOLUTIONS FOR THE ISSUES IDENTIFIED IN THE LONG-RANGE HUMAN FACTORS PLAN.

## REACTOR REGULATION - CONTINUED

- REACTOR REGULATION - REGIONS:
  - ADDITIONAL OPERATING REACTOR LICENSING ACTIONS BEGINNING IN FY 1983.
  - AUTHORITY FOR OPERATING REACTORS BEGINNING IN FY 1983.
  - ADMINISTER REACTOR OPERATOR LICENSE EXAMINATIONS BEGINNING IN FY 1983.
  - AUTHORITY TO ISSUE NON-POWER REACTOR LICENSE AMENDMENTS BEGINNING IN FY 1983.
  - AUTHORITY TO ISSUE NON-POWER REACTOR LICENSE RENEWALS AND NEW LICENSES BEGINNING IN FY 1984.
  - OVERSIGHT OF TMI-2 CLEANUP OPERATIONS TRANSFERRED TO REGION 1 BEGINNING IN FY 1984.

DECISION UNIT SUMMARY

REACTOR REGULATION

DECISION UNIT	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
			FY 1983		FY 1984		FY 1985	
	SY	PS \$	SY	PS \$	SY	PS \$	SY	PS \$
OPERATING REACTORS	201	\$10.3	259	\$10.0	265	\$ 7.9	226	\$ 7.1
SYSTEMATIC SAFETY EVALUATION OF OPERATING REACTORS	30	1.4	36	3.8	41	5.2	42	5.2
OPERATOR LICENSING	16	4.0	16	4.7	6	-	6	-
CASEWORK	309	16.6	208	11.8	174	8.5	137	6.6
SAFETY TECHNOLOGY	76	8.4	115	13.5	112	12.0	112	11.1
TMI-2 CLEANUP	20	0.3	17	0.3	-	-	-	-
MANAGEMENT DIRECTION AND SUPPORT	47	0.2	43	-	42	-	42	-
SUBTOTAL NRR	699 <sup>1/</sup>	\$41.2	694	\$44.1	640	\$33.6	565	\$30.0
REGIONS	7	0	45	1.5	97	6.8	135	6.5
TOTAL	706	\$41.2	739	\$45.6	737	\$40.4	700	\$36.5

<sup>1/</sup> EXCLUDES OVERHIRES.

MATERIAL SAFETY AND SAFEGUARDS

ORGANIZATION	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
	SY	PS \$	FY 1983		FY 1984		FY 1985	
			SY	PS \$	SY	PS \$	SY	PS \$
NMSS	318	\$20.5	274	\$16.6	256	\$16.2	254	\$15.3
REGIONS	2	0	34	1.4	52	1.4	55	1.4
TOTAL	320	\$20.5	308	\$18.0	308	\$17.6	309	\$16.7

- PERFORM FUEL CYCLE, MATERIALS AND TRANSPORTATION LICENSING REVIEWS BASED ON NRC CASELOAD FORECAST.
- COMPLETE DEVELOPMENT OF MATERIALS LICENSING MANAGEMENT INFORMATION SYSTEM BY FY 1985.
- ASSESS THE ADEQUACY OF CURRENT CRITERIA FOR REPROCESSING FACILITIES AND DEVELOP CRITERIA FOR GENERIC DRY SPENT-FUEL STORAGE.
- PERFORM SAFEGUARDS LICENSING REVIEWS FOR REACTORS, FUEL CYCLE FACILITIES, AND TRANSPORTATION OF RADIOACTIVE MATERIALS.
- COMPLETE HLW DISPOSAL REGULATION (10 CFR 60) FOR PUBLICATION IN EARLY FY 1983.
- COMPLETE THREE HLW SITE CHARACTERIZATION REVIEWS BY THE END OF FY 1984. DEVELOP TECHNICAL GUIDANCE TO ENSURE THE CAPABILITY TO REVIEW THE LICENSE APPLICATION FOR THE FIRST HLW REPOSITORY EXPECTED IN FY 1987/1988.
- PERFORM LICENSE REVIEWS FOR LOW-LEVEL WASTE DISPOSAL FACILITIES BASED ON NRC CASELOAD FORECAST.

## MATERIAL SAFETY AND SAFEGUARDS - CONTINUED

- MATERIALS SAFETY & SAFEGUARDS - REGIONS:
  - URANIUM RECOVERY LICENSING TRANSFERRED TO REGION IV BEGINNING IN FY 1983.
  - AUTHORITY TO ISSUE MATERIALS LICENSES BEGINNING IN FY 1982.
  - ISSUE SAFEGUARDS LICENSE AMENDMENTS WHICH DO NOT DECREASE EFFECTIVENESS FOR REACTORS AND SNM FACILITIES BEGINNING IN FY 1983.
  - PERFORM CLOSEOUT SURVEYS AND TERMINATION OF URANIUM FUEL FABRICATION LICENSES BEGINNING IN FY 1983.
  - MAINTAIN OVERSIGHT TO 10 CFR 70 LICENSES FOR ADVANCED FUEL PLANTS FOR DECONTAMINATION AND DECOMMISSIONING BEGINNING IN FY 1983.
  - CONDUCT TRANSPORTATION ROUTE SURVEYS AND REVIEW CONTINGENCY PLANS FOR SPENT FUEL AND CATEGORY 1 SNM SHIPMENTS BEGINNING IN FY 1984.

DECISION UNIT SUMMARY

MATERIAL SAFETY AND SAFEGUARDS

DECISION UNIT	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
	SY	PS \$	FY 1983		FY 1984		FY 1985	
			SY	PS \$	SY	PS \$	SY	PS \$
FUEL CYCLE LICENSING	39	\$ 2.8	36	\$ 2.1	35	\$ 2.2	37	\$ 2.1
TRANSPORTATION SAFETY	17	0.4	17	0.5	17	0.5	17	0.5
MATERIALS LICENSING	44	1.0	33	1.0	26	0.4	28	0.5
REACTOR SAFEGUARDS LICENSING	39	1.2	33	0.9	32	1.2	35	1.4
FUEL CYCLE SAFEGUARDS LICENSING	36	2.7	31	3.0	31	2.9	29	2.6
SAFEGUARDS TRANSPORTATION AND EXPORT LICENSING	19	0.2	18	0.1	16	0.3	14	0.3
HIGH-LEVEL WASTE MANAGEMENT	42	8.0	42	6.3	42	6.3	42	6.0
LOW-LEVEL WASTE MANAGEMENT	29	2.3	29	2.4	27	2.1	26	1.8
URANIUM RECOVERY LICENSING	34	1.8	11	0.2	11	0.2	7	0
MANAGEMENT DIRECTION AND SUPPORT	19	0.1	19	0.1	19	0.1	19	0.1
SUBTOTAL NMSS	318	\$20.5	274	\$16.6	256	\$16.2	254	\$15.3
REGIONS	2	0	34	1.4	52	1.4	55	1.4
TOTAL	320	\$20.5	308	\$18.0	308	\$17.6	309	\$16.7

INSPECTION AND ENFORCEMENT

ORGANIZATION	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
			FY 1983		FY 1984		FY 1985	
	SY	PS \$	SY	PS \$	SY	PS \$	SY	PS \$
IE	195	\$8.4	162	\$ 8.4	158	\$10.1	156	\$13.0
REGIONS	693	0.8	704	3.3	722	2.8	738	2.7
TOTAL	888	\$9.2	866	\$11.7	880	\$12.9	894	\$15.7

- DEVELOP, APPRAISE, AND ASSESS THE REACTOR CONSTRUCTION, VENDOR, REACTOR OPERATIONS, QUALITY ASSURANCE, MATERIALS RADIOLOGICAL AND SAFEGUARDS INSPECTION PROGRAMS, AND THE ENFORCEMENT AND EMERGENCY PREPAREDNESS PROGRAMS.
- INITIATE AN INDEPENDENT HEADQUARTERS CONSTRUCTION APPRAISAL TEAM BEGINNING IN FY 1983.
- CONTINUE THE INDEPENDENT HEADQUARTERS PERFORMANCE APPRAISAL TEAM.
- COMPLETE THE DEVELOPMENT AND TESTING OF THE NUCLEAR DATA LINK PROTOTYPE IN FY 1983. INITIATE IMPLEMENTATION OF THE NDL FOR ALL OPERATING POWER REACTORS OVER THREE YEARS BEGINNING IN FY 1984.



INSPECTION AND ENFORCEMENT - CONTINUED

INSPECTION & ENFORCEMENT - REGIONS:

- PERFORM POWER REACTOR INSPECTIONS BASED ON NRC INDEPENDENT CONSTRUCTION ESTIMATES.
- CONTINUE TO IMPLEMENT THE RESIDENT AND REGIONAL INSPECTION PROGRAMS.
- INCREASE POWER REACTOR CONSTRUCTION INSPECTIONS BEGINNING IN FY 1983 WITH FURTHER INCREASES IN FY 1984/85.
- CONTINUE THE SYSTEMATIC ASSESSMENT OF LICENSEE PERFORMANCE (SALP) PROGRAM.

DECISION UNIT SUMMARY

INSPECTION AND ENFORCEMENT

DECISION UNIT	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
	SY	PS \$	FY 1983		FY 1984		FY 1985	
			SY	PS \$	SY	PS \$	SY	PS \$
REACTOR CONSTRUCTION INSPECTION	20	\$0.3	20	\$ 0.7	21	\$ 0.9	21	\$ 0.9
REACTOR OPERATIONS INSPECTION	28	1.7	22	2.0	22	1.9	22	1.9
ENGINEERING AND QUALITY ASSURANCE	40	0.8	35	0.6	35	0.7	35	0.7
FUEL FACILITIES AND MATERIALS	17	0.9	12	1.4	9	0.9	9	0.6
ENFORCEMENT	8	-	7	-	7	-	7	-
EMERGENCY PREPAREDNESS	39	3.0	28	2.3	27	3.3	25	7.0
SPECIALIZED TECHNICAL TRAINING	19	1.6	17	1.3	17	2.3	17	1.8
MANAGEMENT DIRECTION AND SUPPORT	24	0.1	21	0.1	20	0.1	20	0.1
	<u>195</u>	<u>\$8.4</u>	<u>162</u>	<u>\$ 8.4</u>	<u>158</u>	<u>\$10.1</u>	<u>156</u>	<u>\$13.0</u>
REGIONS	693	0.8	704	3.3	722	2.8	738	2.7
	<u>888</u>	<u>\$9.2</u>	<u>855</u>	<u>\$11.7</u>	<u>830</u>	<u>\$12.9</u>	<u>894</u>	<u>\$15.7</u>

RESEARCH

FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
SY	PS \$	FY 1983		FY 1984		FY 1985	
		SY	PS \$	SY	PS \$	SY	PS \$
286	196.8	271	195.2	260	209.9	260	195.0

- PROVIDES TECHNICAL BASIS FOR RESOLUTION OF PRESSURIZED THERMAL SHOCK ISSUE IN FY 1984.
- PROVIDES SUPPORT FOR AND CONFIRMATION OF REGULATORY POSITIONS ON STEAM GENERATOR TUBE INTEGRITY, EQUIPMENT QUALIFICATION, SEISMIC SAFETY MARGINS, AND REACTOR MATERIALS AND COMPONENT AGING.
- SUPPORT THE DEVELOPMENT OF TECHNICAL RESOLUTIONS FOR THE ISSUES IDENTIFIED IN THE LONG-RANGE HUMAN FACTORS PLAN.
- CONTINUES EXPERIMENTS TO EVALUATE SYSTEM BEHAVIOR DURING TRANSIENTS (INCLUDING SEMISCALE AND FIST).
- INCLUDES NRC SHARE FOR CONSTRUCTION OF SEMISCALE MOD-5 (B&W CONFIGURATION).

## NUCLEAR REGULATORY RESEARCH - CONTINUED

- CONTINUE DEVELOPMENT OF IMPROVED PRA METHODOLOGY AND SUPPORT TO SEVERE ACCIDENT POLICY DETERMINATION AND SAFETY GOAL.
- DEVELOP THE TECHNICAL BASE FOR COMMISSION POLICY DETERMINATIONS ON SOURCE TERM BY EARLY FY 1983 AND SEVERE ACCIDENTS BY FY 1984 (INCLUDES RESEARCH ON DAMAGED FUEL, CONTAINMENT LOADING AND INTEGRITY, FISSION PRODUCT RELEASE AND TRANSPORT, SEVERE ACCIDENT SEQUENCE ANALYSIS AND IMPROVED SAFETY SYSTEMS).
- CONTINUE TO SUPPORT THE INTERNATIONAL 2D/3D PROGRAM.
- COMPLETE NRC-SPONSORED LOFT TESTING BY MID-FY 1983. PROVIDES FUNDING FOR NRC SHARE OF THE LOFT CONSORTIUM BEGINNING IN FY 1984 (\$10M/YEAR FOR 3 YEARS).
- CONTINUE RESEARCH EFFORT TO SUPPORT THE CRBR LICENSING DECISION.

DECISION UNIT SUMMARY

RESEARCH

DECISION UNIT	FY 1982 CURRENT ESTIMATE		RECOMMENDED LEVEL					
	SY	PS \$	FY 1983		FY 1984		FY 1985	
			SY	PS \$	SY	PS \$	SY	PS \$
REACTOR AND FACILITY ENGINEERING	59	\$ 33.1	58	\$ 37.0	57	\$ 40.5	58	\$ 42.8
FACILITY OPERATIONS	51	13.0	47	13.5	42	16.8	43	17.1
THERMAL HYDRAULIC TRANSIENTS	10	16.3	10	21.7	10	27.5	10	22.6
SITING AND HEALTH	31	9.3	23	9.0	22	11.0	23	11.7
RISK ANALYSIS	51	16.0	49	15.9	48	19.3	49	22.2
ACCIDENT EVALUATION AND MITIGATION	23	33.1	25	47.2	24	45.4	23	38.6
LOSS-OF-COOLANT ACCIDENT	8	14.6	7	11.1	6	10.5	5	9.2
LOFT	4	42.0	2	15.0	2	17.5	2	10.0
ADVANCED REACTORS	3	7.5	3	12.7	3	9.5	2	8.5
WASTE MANAGEMENT	24	11.9	24	12.1	24	11.9	23	12.3
MANAGEMENT DIRECTION AND SUPPORT	22	-	23	-	22	-	22	-
TOTAL	286	\$196.8	271	\$195.2	260	\$209.9	260	\$195.0