TPANSMITTAL TO:	Cocument Con	trol Desk. D16 Phi	llips	
ADVANCED COPY TO:		ocument Room		
CATE:	Manage	4/94		
FROM:	THE RESIDENCE STREET, SALES OF THE PARTY OF	ondence & Records	Branco	
r non:	Teel College	ondered a need ea		
Attached are copies of a Cocument(s). They are bei placement in the Public Doreguirea.	ng forwarded for cument Room. No	entry on the Dail other distribution	y Accession List and in is requested or	1
Meeting Title: Brief	by Ruce	lear Energy	Institute	
Meeting Date: 3/	3//94	Open	Closed	
Item Description*:		Copies Advanced to PDR	DCS Copy	
1. TRANSCRIPT		1	1	
Whengrap	h Discourse and a second	NAS-		
		MARIO	ALCOHOLD TO	
		SIGNS	-waterweekilder	
	endig ver saat valk omseende til Aufhand kan en men sinde sill kollen have tripleg en sekti De kollen have sille sill sekti sille si	MARKET CHARGE MARKET COMMENTS AND COMMENTS A	, magazinate de la constitución de	
		THEREON AND AND AND AND AND AND AND AND AND AN	***************************************	
5. 9404080021 940 PDR 10CFR	0331	econoly. ** ** * * * * * * **		
* PDR is advanced one con	PDR ——	ent. two of each S pt. with attachmen	ECY paper. ts. without SECY	1

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

Title:

BRIEFING BY NUCLEAR ENERGY INSTITUTE

Location:

ROCKVILLE, MARYLAND

Date:

MARCH 31, 1994

Pages:

39 PAGES

NEAL R. GROSS AND CO., INC.

COURT REPORTERS AND TRANSCRIBERS
1323 Rhode Island Avenue, Northwest
Washington, D.C. 20005
(202) 234-4433

DISCLAIMER

This is an unofficial transcript of a meeting of the United States Nuclear Regulatory Commission held on March 31, 1994. In the Commission's office at One White Flint North, Rockville, Maryland. The meeting was open to public attendance and observation. This transcript has not been reviewed, corrected or edited, and it may contain inaccuracies.

The transcript is intended solely for general informational purposes. As provided by 10 CFR 9.103, it is not part of the formal or informal record of decision of the matters discussed. Expressions of opinion in this transcript do not necessarily reflect final determination or beliefs. No pleading or other paper may be filed with the Commission in any proceeding as the result of, or addressed to, any statement or argument contained herein, except as the Commission may authorize.

MEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1323 RHOOM ISLAND AVENUE, N.W.
WASHINGTON, D.C. 2000S

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

BRIEFING BY NUCLEAR ENERGY INSTITUTE

PUBLIC MEETING

Nuclear Regulatory Commission One White Flint North Rockville, Maryland

Thursday, March 31, 1994

The Commission met in open session, pursuant to notice, at 9:00 a.m., Ivan Selin, Chairman, presiding.

COMMISSIONERS PRESENT:

IVAN SELIN, Chairman of the Commission KENNETH C. ROGERS, Commissioner FORREST J. REMICK, Commissioner E. GAIL de PLANQUE, Commissioner

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

JOHN HOYLE, Assistant Secretary

KAREN CYR, Office of the General Counsel

PHILLIP BAYNE, President and Chief Executive Officer, NEI

JOE COLVIN, Executive Vice President, NEI

NEAL R. GROSS

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

2	9:00 a.m.
3	CHAIRMAN SELIN: Good morning, ladies and
4	gentlemen.
5	The Commission is delighted to welcome
6	representatives from the new Nuclear Energy Institute
7	to brief us on their organization objectives, goals,
8	and how the quality of the work of the former NUMARC
9	will continue unabated and unaffected by public
0	affairs considerations and whatever else you care to
1	say, Mr. Bayne.
2	We are, of course, very interested in the
3	interface and how our interface with the industry
4	might be affected by this organization. I understand
5	copies of the viewgraphs are being made available.
6	Commissioners?
7	COMMISSIONER ROGERS: Nothing.
8	CHAIRMAN SELIN: Fine.
9	Mr. Layne, the floor is yours.
0	MR. BAYNE: Thank you. Good morning, Mr.
1	Chairman, Ms. de Planque, Mr. Remick, Mr. Rogers.
2	For the record, my name is Phillip Bayne
3	and I'm President and Chief Executive Officer of the
4	Nuclear Energy Institute. With me today is Joe
5	Colvin. Certainly he needs no introduction here at

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N W WASHINGTON, D.C. 20005 the Commission, but I'd like to introduce him to you with his new title, Executive Vice President of the Nuclear Energy Institute.

I'd like to thank you for inviting us here today and giving us the opportunity to familiarize you with our new trade association. The Nuclear Energy Institute was officially launched just two weeks ago, on March 16th. The Institute incorporates three Washington-based organizations and part of a fourth, the Nuclear Management and Resources Council, which manages generic, regulatory and technical issues; the nuclear activities of the Edison Electric Institute, which include programs in nuclear waste, economic issues, and nuclear fuel supply; the American Nuclear Energy Council, which was responsible for government affairs; and the U.S. Council for Energy Awareness, which conducted a national communications program.

Now that all of these functions are pulling together in one organization, we envision a more coordinated approach to the complex challenges facing our industry. No longer is it enough for us to practice issues management, government relations or communications as discreet activities and still expect to meet the challenges of the spent fuel disposal or the pressures of cost competitiveness. A massive and

NEAL R. GROSS

concerted effort to resolve these often political issues has become essential.

We sincerely believe that the challenges facing the U.S. nuclear industry can be met. It will take the cooperation of all the nuclear utilities and all other nuclear-related firms as the Nuclear Energy Institute can serve as a catalyst for making that happen.

I also believe that even with all the structural change brought about by our consolidation of the organizations, we have retained enough of our previous method of operation, especially in the areas of interest to you, the technical and regulatory arena, that you will notice little, if any, change. The professionalism you have come to expect from your interactions with NUMARC on generic regulatory and technical issues, as well as with the USCEA on material licensing issues, remains intact.

Our primary purpose at the new NEI is to foster and encourage continued safe utilization and development of our nuclear energy in order to meet our nation's energy, environmental and economic goals. We support the nuclear energy industry by providing policy direction in critical areas, including regulation, legislation, congressional awareness and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

acceptance, waste disposal and transportation. Of , particular interest to you, our mission statement calls for us to provide a unified nuclear energy industry approach to address and resolve nuclear regulatory issues and related technical matters in order to facilitate high levels of reliability and economic efficiency in nuclear power plant operations.

Three broad issues have been assigned. The highest priority at the NEI are economics and competitiveness, interim and permanent disposal of high-level nuclear waste, and development of low-level radioactive waste disposal facilities.

NEI organization chart now how we plan to pring our resources to bear on these priority issues. First you'll notice that Joe Colvin provides executive direction for the three groups responsible for managing the issues. The technical regulatory group essentially embodies the function of the former NUMARC. Bill Rasin and Tom Tipton, who you know, are Vice Presidents within the Technical and Regulatory Group.

The manner in which you interact with NEI on the resolution of generic technical and regulatory issues will remain unchanged from the relationship you

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

have had with NUMARC. The capability to draw on industry expertise also will not change. The primary difference you and your staff will notice is a simple change in the acronym. NUMARC will now be NEI.

The other two groups reporting to Joe Colvin are Nuclear Waste and Nuclear Economics.

I mentioned the three priority issues facing the industry, high-level, low-level waste and economics. You can see that the industry considers them of such significance that we've made them separate divisions in our new organization. Joe Colvin will elaborate on the importance of these issues in just a few minutes.

CHAIRMAN SELIN: Mr. Bayne, were these three all parts of NUMARC before or did they incorporate activities that have come from EEI or any of the other predecessor agencies?

MR. BAYNE: The waste and economic issues were embodied in all of the other organizations and, frankly, in some instances caused some confusion because you would get three or four different opinions on each subject, depending on which organization you were dealing with. So, by putting them all in one group, we hope to focus our attention and thereby become more efficient in dealing with those issues.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

CHAIRMAN SELIN: So, basically, it appears that all of the substantive work, whether it was done in Edison or in NUMARC or anyplace else will now be part of Mr. Colvin's responsibilities.

MR. BAYNE: Yes.

CHAIRMAN SELIN: And the other three groups would be dealing with various communications and --

MR. BAYNE: Support functions. They will support the other issues.

the importance of proper communications and interaction with Congress and the public at large on major issues facing this industry. Only through openness, and I've heard you say that many times, only through openness can we obtain the understanding and cooperation of these important players. That's why we're calling upon the resources of the support groups, government relations, media, public relations and industry communications and publications which will report directly to me. We intend to matrix those resources, the resources of those groups, into the waste and economics groups to ensure the proper show of support.

Overall governance of the Nuclear Energy

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

Institute is provided by a 60 person Board of Directors comprising the Chief Executive Officers of all 44 nuclear plant licensees, plus representatives of other segments of the industry. A 15 person executive committee will provide day to day governance. This structure provides for active involvement and leadership of every licensee's CEO. I can assure you from my interactions with them during the formation of the Institute, the interest and commitment from CEOs and ensuring the competitiveness of nuclear energy and in seeing the government take title to fuel beginning in 1998 is extremely high.

I'm pleased to report that they will play an active role in NEI. Equally important, we will retain the active involvement of all chief nuclear officers as well.

yet cohesive organization. Our 400 members represent the many facets of the nuclear industry from the United States and around the world. Along with our utility, architect engineer and SSS supplier members, our membership base includes a large number of material licensees, fuel cycle suppliers, radionuclides and radiopharmaceuticals. Our membership also includes financial analysts, labor

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RMODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

unions, law firms, consultants and international . 1 members from both the public and private sector. 2 NEI's major focus is to provide a forum 3 which brings these people together and addresses their 4 concerns. It allows us to bring together all the 5 players to address the major issues facing our 6 industry. Resolving these issues will require all the 7 resources of the industry and NEI provides the vehicle 8 for applying those resources. 9 We look forward to a continuation of 10 professional relationship that our predecessor 11 organizations have developed with the Commission. 12 I'd like to turn it over to Joe Colvin and 13 he'll provide you with more in-depth information about 14 the operation. 15 CHAIRMAN SELIN: What are the names on the 16 chart? Who is your chairman? Who are the vice 17 presidents? 18 MR. BAYNE: The Chairman is Linn Draper 19 and the Vice Chairman is Jim Howard of Northern States 20 Power. I'll try to recall the 15 member --21 CHAIRMAN SELIN: Don't do that. You'll 22 remember 13 of them and you'll get in deep trouble at 23 that point. 24 MR. BAYNE: Well, we'll provide you with 25

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

that information, both the Board of Directors and the 1 Executive Committee. 2 CHAIRMAN SELIN: And the Vice Presidents 3 for Nuclear Waste and Nuclear Economics? 4 MR. BAYNE: The Vice President for Nuclear Waste is Ted Garrish, who used to be with the American 6 Nuclear Energy Council, has been very active in our 7 initiatives out in Nevada, trying to get Yucca 8 Mountain characterized. The Economics Vice President 9 is Marvin Fertel, who used to handle the technical 10 part of USCEA and has been very active in the 11 financial community. 12 CHAIRMAN SELIN: While you're at it, you 13 might fill in the support vice presidents also. 14 MR. BAYNE: Okay. The support vice 15 presidents, the Government Affairs we have an acting, 16 Tim Smith. He certainly is one of the candidates, but 17 we are looking for a candidate for that. The 18 President of ANEC decided to do other things and has 19 gone on. The Media and PR is Carl Goldstein, who used 20 to be with CEA. The Industry Communications and 21 Publications is Richard Myers and I've asked -- we 22 have also a vacancy in the Technical and Regulatory 23 area. I've asked Joe to double head that. 24

NEAL R. GROSS

COMMISSIONER REMICK: Phil, what's the

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

criteria for membership in NEI? It looks like a larger membership certainly than was in NUMARC. And what kind of criteria are used for who can be a member?

MR. BAYNE: Well, we have a membership application which any firm that believes it has an interest in the nuclear energy business could apply for membership. Many of our members — we feel that a broad base of membership is important because it can provide a forum for all of the issues involved with nuclear energy. Anybody who believes he has an interest in that can apply for membership. The membership is approved by the Board. We feel very strongly that there are issues that cut across the whole industry that we have to deal with and we're very happy to have that broad base of membership because I think it gives us more focus and we're able to deal with all the issues that come up.

COMMISSIONER REMICK: You mentioned that you have some material licensees. Am I correct they're primarily large material licensees like the radiopharmaceutical firms and fuel cycle facilities?

MR. BAYNE: That's correct.

COMMISSIONER REMICK: But not small

material licensees?

NEAL R. GROSS

1	MR. BAYNE: We have small material
2	licensees who are members and we certainly pay
3	attention to what they say. We have methods across
4	the organization we have advisory groups that keep us
5	abreast of what is of interest to all classes of our
6	members.
7	COMMISSIONER REMICK: Could you give me,
8	without mentioning necessarily the names, but the type
9	of small material licensees that would be members?
0	MR. BAYNE: I'll have to get back to you
1	with that.
2	COMMISSIONER REMICK: Okay. All right.
3	MR. BAYNE: I don't have it on the tip of
4	my fingers.
5	COMMISSIONER ROGERS: What's the function
6	of the research vice president? What are the
7	responsibilities there? What does that involve?
8	MR. BAYNE: Well, that involves
9	intuitively when you communicate with the public or
0	with Congress or with anyone else, if you fly by the
1	seat of your pants in how you intend to communicate
2	with people, frequently you get a result that you
3	don't that that's not what you expect. One that
4	comes to mind is the old saw that you get more
5	radiation from standing in Grand Central Station than

you get from standing near a nuclear plant. Everybody thought, "Well, gee, that will make people feel good about nuclear plants." Well, actually it didn't make them feel good about nuclear plants and didn't make them feel good about Grand Central Station either.

So, we have learned over the years that we need to have someone to — whenever we're talking to the general public and we think it's very important that we talk to the general public, we need to know what kind of reaction we'll get. So, we test our messages very carefully. We also need to know what the general public thinks about our industry, so we test that very carefully. When we were in the advertising business, which we're not in very much now, but it was very important to test the advertising to see if it was going to do what you intended it to do.

So, we have put that on the chart where it is because we feel that message research is important to support every other function of NEI.

COMMISSIONER ROGERS: And who is the vice president now?

MR. BAYNE: That's Doctor Ann Bisconti, who is internationally renown in the field of research.

NEAL R. GROSS

Thank you. I'd like to introduce Joe.

MR. COLVIN: Good morning. Mr. Chairman, Commissioners, I'd like to second Phil's comments about the professional relationships we've developed in working with the Commission and staff. Certainly we want to not only maintain those relationships, but expand on those and build and improve them for the future.

I think the most significant change that the Commission and the staff is going to see, at least initially, is I think an increase in effectiveness of the programs and activities in the interactions we've been dealing with the Commission. As Phil indicated, as an example, in dealing with the generic technical and regulatory issues for the commercial nuclear power plant licensees through NUMARC, we interacted with you and USCEA and in some cases the Edison Electric Institute interacted with the Commission on behalf of fuel cycle or material licensee issues. Now you're going to see an interaction from the Nuclear Energy Institute as one unified organization. So, I think that will not only improve our effectiveness, but our capability of interacting with you on a day to day basis and also probably improve your effectiveness in figuring out who you need to contact. At least you

NEAL R. GROSS

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

only have to call one phone number now.

The other thing is that -- and I'll talk more in a few minutes, as Phil indicated, is the industry integrated efforts in trying to resolve some of the economic issues as well as some of the complex issues surrounding the high-level and low-level waste activities, and I'll try to comment more on those in a minute.

I think the key that Phil indicated that I need to reinforce is that many of the things and the ways we interact with the Commission will not change. Primarily, the continuing ability that we will use to draw in the expertise of the industry on the issues of importance to both the industry and the Commission to try to build that broad-based support and involvement of the people that have the responsibility to operate the commercial plants.

area, we will retain the capability to speak as the industry with one voice to the Commission on those key issues and certainly we'll continue the interface at all levels within the Commission, senior staff and management of the staff, probably the easiest by example to explain and reinforce how we intend to continue interfacing with the Commission.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHOD, ISLAND AVENUE, N.W.
WASHINGTON, D.C. 20005

As I said, we're going to retain the mechanism for bringing on board the entire industry when we need to or an issue. To do that, we intend to create an advisory committee in many ways similar to the mix that we had within the old NUMARC Board of Directors. That will be composed of each chief nuclear officer, or the chief nuclear officer from every nuclear utility so that we can actually get that focused to deal with the issues of importance. When we need to move as an industry with one issue, we're going to retain the 80 percent vote process that we have, which will -- when we take that action, each utility commits to each other to implement that action on behalf of the industry. We will communicate that and continue to communicate those commitments to the NRC.

I think we appreciate and recognize the importance the Commission has placed on the industry commitments made through that process and taking that into account within your regulatory decision making, and certainly we want that to continue.

For example, and just by way of example, when we did that in the past in the area of outage planning and shutdown risk areas, we developed a guideline through the industry working group on that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W WASHINGTON, D.C. 20005

1

2

3

4

5

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

issue, developed that guideline and that was a commitment taken by each utility to implement that. We do the same thing in procurement and many other areas. Each utility then took those guidelines, reviewed their programs and activities against those guidelines and then made the changes to their programs consistent with those guidelines and I think that has been certainly recognized by the staff as I've indicated. That process will continue within NEI.

The other thing which is the key to doing this work is to retain the industry expertise and involvement in these processes. We have a small staff in Washington, but what we have is the ability to leverage the resources of that starf by drawing upon the entire industry, as Phil said today. In the technical and regulatory area, that's primarily, at least within the commercial nuclear power side, primarily the 44 licensees and the people within their companies, the major architect/engineering firms and the suppliers, but we were able to also tap into the other parts of the industry that NUMARC, as an example in the past, really did not -- was not able to leverage into those issues. I think we will gain a lot of advantage from listening to those various aspects and issues from the other people that are

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. ∠0005

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

supporting the industry.

In addition, because we are focusing on those very important issues, we have the active involvement, as Phil indicated, from the chief executive of each of these companies down through the companies. So, we have the industry able to fully support the issues that it feels are important.

When we get into an issue like we did with the working with the Commission in the area of trying to come up with a method to implement the NRC's maintenance rule in a way that the industry could take full advantage of and that was approved and recognized by the Commission, we'll continue to bring those types of experts together, the executives and the managers with that type of talent to do that kind of work. So, I assure you that that will continue.

What I'd like to do is shift for a minute into the two areas on the chart that are in some ways some new responsibilities, although I've been certainly involved in the economics area, but the area of nuclear waste and I'd like to discuss those for a moment briefly.

The significate of both, as Phil indicated, are really recognized within the structure. And one of the things we want to do with that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005 structure is, in fact, integrate those activities across the organization. An example if you looked at that chart, the organization chart, where we have those resources to support the waste area, we want to bring in the technical and the regulatory licensing experience and to support the activities in that area in the way that we would provide that same support if we were addressing solely just a generic technical issue.

In each case we've got a dedicated staff. We're working on the approach to try to matrix that and draw upon the organization.

plan, the issue areas of economic competitiveness, just make a few comments. I think at the heart of the efforts that we have in the economics area is focused, they are focused by the strategic plan. It has three parts. The first part really deals with how do we improve as an industry some of the operational cost effectiveness? These are really areas where a utility can go in and look at what it can do to improve its operation, to improve its availability capacity factor or the new term, capability factors, streamline work processes and areas like that. We're making significant improvements I think across the industry.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

The results are being demonstrated by the performance indicators, I believe, and as I understand from Zach Pahe, as transmitted to the Commission, the INPO annual report which contains the update for the 1993 performance indicators.

Just as an example in those two areas, in the unit capability factor area, we have gone from — we reached a capability factor in 1993, median capability fac'or of just over 77 percent, which is just within hailing distance, I believe is the term sometimes used at this table to the 80 percent goal that we've established for 1995.

probably more importantly, and I think a more important indicator to the reliability area where we're looking at so closely and focused in the area of maintenance is the unplanned capability loss factor or in the past we talked about that as forced outage rates and things like that. This year, and actually our 1993 data shows the median was at 4.3 percent, which is below our 4.5 percent goal that we established for 1995. That's a clear indicator of how well we're doing the maintenance and how well we're affecting the reliability of these units. So, we're very encouraged and we're seeing a lot of activity within each of the utilities to kind of deal with

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

those issues and make improvements in reengineering work practices and things in that area. 2 CHAIRMAN SELIN: You sort of indirectly 3 suggested a question. Do you see any difference in 4 relationship between the activities of the NEI with 5 INPO from the relationship that NUMARC had with INPO? 6 MR. COLVIN: No. Actually, I see just an 7 improvement from INPO's perspective. As you recall, 8 INPO and NUMARC had a very close working relationship 9 to try to take advantage of their expertise within the 10 operations and management area in the same way that 11 NUMARC had relationships with the Electric Power 12 Research Institute in the technical research and 13 development work. In fact, Phil didn't indicate it, 14 but the Executive Committee of the NEI Board of 15 Directors has on that as ex officio members the 16 President of INPO, the President of EPRI and the 17 President of Edison Electric Institute. 18 MR. BAYNE: And we also have APPA 19 representative and RECA and NEI represented. So, we 20 have every utility in the Unites States represented on 21 the Executive Committee. 22

CHAIRMAN SELIN: Well, there's a specific area that's going to become of more interest is as the maintenance rule gets closer and our needs for

NEAL R. GROSS

23

24

1 reliability data become greater, it's technically convenient to use an extension of the NUMARC -- I mean 2 of the INPO data system and yet that's a regulatory 3 function and not an operational function. So, we will 4 end up communicating with both agencies and we ant to 5 make sure that they communicate well with each other. 6 MR. COLVIN: Yes, sir, and our people both 7 within INPO and now within NEI are working together on 8 issues, such as implementation of the 9 maintenance rule and the reliability issues. 10 CHAIRMAN SELIN: But I'm talking about 11 specifically expanding NPRDS to provide the data that 12 we need, if the industry chooses that to be the thing. 13 We're not going to mandate that that be the source, 14 but it seems sort of a natural place to get the data. 15 We do require quite extensive data that we haven't 16 required in the past to support the maintenance rule. 17 So, there's in effect a regulatory discussion 18 presumably with NEI and a technical discussion with 19 INPO. We want to make sure that the industry looks at 20 this as a unitary discussion. 21 MR. COLVIN: Yes, sir. We certainly will 22 23 do so. 24

CHAIRMAN SELIN: Okay.

MR. COLVIN: The second area of the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

is an area talking about now to improve the way we as licensees, both the licensees and other entities interact with the Commission and other external entities such as the rate commissions, the public service commissions, public utility commissions. We are working with the NRC in a number of areas related to this and two of the key areas are commitment management. We have efforts within NEI that were follow-on efforts from NUMARC to try to work with the staff to come up with how do we manage these commitments, what do we really mean by it, and I think we're starting to see some real progress in those areas.

Another area, for example, is to try to be complementary and support the efforts of the Commission on the cost beneficial licensing actions. Probably one major focus we're working on is how can we and the Agency take advantage of the decision for one utility and for a specific license and utilize that to the benefit of other licensees without unnecessarily wasting any resources. So, we're having some very positive discussions in those areas.

The third area is really if you want the future focus, which is in the area of regulations and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVE. WE, N.W. WASHINGTON, D.C. 20005

regulatory processes. For the most part, we're really looking at the risk-based performance-based approach to regulations and what we can do and we have some, as you know, very major project working with the staff now in the QA area, an integrated approach to quality assurance, trying to take in the risk and performance-based activities in there. I think that has a real promise to provide benefit for both the regulatory and each licensee.

Let me shift to nuclear waste for an area. I must admit I'm becoming more involved daily and I certainly would not want to be called an expert in this area, but this is an area that, as Phil indicated, a very high priority for the industry. At the top of the list within the waste area is the issue of progress towards final disposal of the high-level waste. As you know, we spent as ratepayers and as utilities more than about \$8 billion so far in the Waste Fund. We see the need to have more dollars flow from that fund into the characterization and to support the efforts at Yucca Mountain. So, we're working with the Department of Energy and the Congress to figure out how to do that in a way that will support the activities necessary.

The focus that we can apply in the waste

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVENUE, N.W.
WASHINGTON, D.C. 20005

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

area through the waste group and the support it will be provided through the other matrix resources of NEI and the rest of the industry I think will really help us to develop those kinds of solutions. We're also working very closely with EPRI and the efforts in the National Academy's panel to develop a standard for the Yucca Mountain characterization and we look forward to working with the Commission and the staff in those areas. An area where we really haven't given as much attention in the past as is needed. I think we're on the verge of moving into that very quickly.

The one area from an industry perspective that needs immediately resolution is the issue of 1998 waste acceptance. Really the key to that is the removal of spent fuel from reactor sites beginning in 1998 and that's a priority issue for the industry and an objective that we need to deal with for both the utilities, the ratepayers, the public service commissions, et cetera.

We see that a facility may not be ready in 1998 and DOE suggested some compensation as a way of equity relief. But the industries and the licensees in this area are unanimous that compensation alone without a plan to actually move fuel will not achieve the goals that we believe are necessary. We're also

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1328 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

working to see that the coordination of interim storage with final disposal of spent fuel is taken care of in a fully integrated program. We need to make sure that we move forward in that area.

CHAIRMAN SELIN: I don't understand what that means. I understand each of the words in that sentence, but when you put them all together --

MR. COLVIN: That's probably not the first time that I've done that. But if you really look at the -- what we're talking about, if you go back to the 1983 Nuclear Waste Policy Act and the decision making, I think we were all thinking that we would have a place at a permanent repository and DOE in 1998 would start accepting fuel. Given that DOE statements are that we are not going to have a permanent repository by 1998, then now the discussions are more related to how do we take care of the interim storage issue between now or between 1998 in particular and the time that we have a permanent repository operating? So, what we want to do is try to integrate the activities with DOE so that we take care of the interim storage issue in a complementary way to the final repository issue without necessarily having to pay through the Waste Fund for a duplicative or overlapping program.

CHAIRMAN SELIN: So, let me just -- there

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W WASHINGTON, D.C. 20005

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

are three elements that I see. Let me just ask you how you handle them. First is sort of the more standard government relations question which is if individual utilities do dry cask storage, how will they — will they have to pay for that plus the Waste Fund? That's sort of a normal government relations issue.

The second is a more complicated one, which is if one of these more privatized ventures for an MRS goes through, how will DOE react to that, how will NRC react to that? There's some business piece in there, but it's still more complex, but it's still a government relations question. Could the Waste Fund get some credit against that? What kind of regulatory treatment would that get?

The third is really a business. If the industry decides to take a much more aggressive role in privatizing what has been a government function, which is not just to try to make a side deal with the Mescalero Apaches, but build and operate centers of some kind, would your organization be involved in the business side of things or would that still be done by northern states as a kind of outside but court entered with the --

MR. BAYNE: I don't think our organization

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

would be involved in the business side of it. Our organization would be involved in supporting it because our members want us to support it. So, we would support it in a government relations aspect. We would support it in a communications aspect. We would support it in a communications aspect. We would certainly help to support the licensing efforts that would be involved with something like that.

CHAIRMAN SELIN: But if a venture is set

CHAIRMAN SELIN: But if a venture is set up to do the business side, trying to figure out how to charge for this and things like that would be outside your --

MR. BAYNE: Yes, it would. If you look at our mission, that's not a part of our mission.

CHAIRMAN SELIN: Okay. A related question. What organization do you see outside the staff, in other words among the utilities, to support your nuclear waste operations? Do you have a special advisory group?

MR. BAYNE: We will have an advisory group for each of the major functions that were on the organizational chart. We are in the process — I wish I would have been able to come here today and tell you what those advisory groups would be, but we're in the process of developing those now and we need a little bit of time to involve our membership in developing

that structure. 1 CHAIRMAN SELIN: Will your Board itself 2 have subcommittees to deal with w or things like 3 that? 4 MR. BAYNE: No. These advisory committees 5 will report to me and I'll report to the Board. 6 So they're not CHAIRMAN SELIN: 7 subcommittees of the Board to oversee say the waste 8 activities or --9 MR. BAYNE: That is still being devised. 10 My thoughts are they would report to me, I would 11 report to the Board. There are some people on the 12 Executive Committee feel that the advisory committees 13 will report to the Executive Committee and it's part 14 of starting up a new organization. You have to 15 determine those things. 16 MR. COLVIN: Mr. Chairman, I think it's 17 clear though that, to add on to Phil's comment, that 18 certain CEOs that are now members of the Board will be 19 involved in some of these key advisory committees and 20 activities. I think that's essential that we have --21 MR. BAYNE: I think I ought to make the 22 point that one thing that is definite, every advisory 23 committee will be chaired by a member of the Executive 24 Committee and we'll also have a vice chair who's a

i	member of the Executive Committee. So, from that
2	aspect, there will be direct guidance from the CEOs.
3	CHAIRMAN SELIN: Phil, here's our advice,
4	take it or leave it as you see fit. But we do sit on
5	the Executive Committee, a conversation like that.
6	MR. BAYNE: Right.
7	CHAIRMAN SELIN: Okay.
8	MR. COLVIN: Mr. Chairman, I've concluded
9	my remarks. At this point I would
10	CHAIRMAN SELIN: You were going to talk
11	about the transportation.
12	MR. COLVIN: Oh, yes, sir, I apologize.
13	I was just going to make a brief comment to say that
14	we are working very closely with DOE to try to soport
15	the transportation infrastructure and try to support
16	their program on moving forward in the development of
17	the multipurpose containers. That's also of high
18	priority within the transportation area.
19	With that, I can just assure you that we
20	have a lot on our plate, but I think we've got the
21	staff, the people, and certainly the support from the
22	industry to try to bring this about.
23	Thank you.
24	COMMISSIONER REMICK: Just a question that
25	comes to mind. Certainly NUMARC has in the past and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

1	NEI now comes and addresses the Commission. When you
2	go to DOE, how do you what's your approach to DOE?
3	I mean what's the format for those type of meetings?
4	MR. BAYNE: Well, they haven't taken place
5	yet, but it's my goal, as a matter of fact, to within
6	the next couple of weeks go to DOE and discuss the
7	same issues with both the Secretary and her staff.
8	COMMISSIONER REMICK: But I assume these
9	are not public meetings, they're individual meetings.
10	MR. BAYNE: That's correct.
11	MR. COLVIN: Certainly I think we would
12	have the interactions with the Agency as the Agency
13	believes is in the best interest
14	COMMISSIONER REMICK: Right. Sure.
15	MR. COLVIN: certainly and support that
16	as we have in the past.
17	CHAIRMAN SELIN: I think Commissioner
18	Remick is indirectly suggesting as appropriate to our
19	Commission that insofar as your interactions with them
20	could be made public, it would be most valuable to all
21	the stakeholders. Not necessarily all the meetings,
22	but progress on the multipurpose canister, for
23	instance, is something we'd all like to follow as
24	openly as we could, just as an example.
25	COMMISSIONER ROGERS: What is your planned

COURT REPORTERS AND TRANSCRIBERS 1323 RHODF ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

meeting -- I think you were there, Joe. I wasn't there. I was someplace else, but, that I think was maybe a first, I don't know, but certainly with the new organizational hat on, so how do you see your interaction with NARUC taking place?

MR. COLVIN: Well, I think we're going to see it in several different areas of the organization.

I mean, if I take the NARUC organization and look to the Subcommittee on Nuclear Issues and Nuclear Waste, a key focus of that activity is in fact the nuclear waste issue and the funding aspects and in that area I would expect that the primary interaction and the focus would be through our nuclear waste area that's run under Ted Garrish with support drawing upon the government relations side.

Now there are some other aspects that are more government relations, state program issues that would deal with electricity issues but electricity issues that are focused from nuclear generating stations and that would be more likely a governmental relations area issue with support and involvement also and coordination certainly with Edison Electric and other organizations.

MR. BAYNE: As its individual parts before

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

we were joined together, NEI supported NARUC and supported the dialogue process that just recently resulted in the NARUC resolution concerning waste issues. And at its first meeting, NEI's Executive Committee passed a resolution very similar to the one that was passed by NARUC at the request of NARUC, so there is a lot of cooperation between — there was a lot of cooperation between the former organizations and there will continue to be a lot of cooperation between NEI and NARUC.

of general interest that you've mentioned, touched on, but my own experience is that there could be some more attention paid there, is the interface with EPRI, particularly things like the waste issues. In some of my visits out there and talking with people, I had the impression that there is a bit of a disconnect between them and us, on one hand, and maybe with others in the industry as well that needed to be tightened up. I had the general feeling that some positions that people had out there came from past history, rather old, not very up to date, and that there was plenty of opportunity to try to improve a dialogue there and resolve some questions of disagreement that had just been floating around for a long time without being

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

really addressed very directly.

MR. BAYNE: There is in the mill a draft paper on cooperation between EPRI and NEI, INPO and NEI, EEI and NEI, and we are trying to formalize that cooperation to make it more effective. I will now go to the board meetings of INPO. I'll go to the board meetings of EPRI, and their presidents will come to our Executive Committee meeting. That's just the informal part of it. There will be a more formal part. It's still being massaged, but you can rest assured that we see and the Executive Committee and the Board see that as a very important function of NEI, to cooperate with all those other organizations.

talking about interrelationships, interactions, some of your component parts in their former lives did have some connections with some of the professional societies. Given the broad scope of membership that you have now, radiopharmaceuticals, research groups and so forth, what, if any, interactions do you see with some of the professional societies like the Society for Nuclear Physicians or IEEE or ANS or any of those?

MR. BAYNE: The coalition that was recently developed by USCEA or those organizations for

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005 a rational solution to low-level waste is continuing and, as a matter of fact, is expanding. We recently got as members ANS in that coalition and also the American Medical Society, which expands the membership considerably. It supports a rational approach to siting low-level waste facilities around the country. I see things like that improving. I really do.

MR. COLVIN: Just to add on to Phil's comment about the Coalition, we have had interactions within the other organizations with the professional societies, American Nuclear Society, ASME and so forth. We are continuing that in the technical regulatory area and we've had recent interactions with the president and the incoming president of the ANS, as an example, to try to build that bridge of cooperation as Phil indicated in these other areas and to broaden that. I think by pulling all that together we've really got an opportunity to move that forward, so we've got great support.

commissioner de PLANQUE: Just another very general question. How, if at all, has the nature of your public relations or communications, educational activities changed from what they might have been under CEA? Do you see any differences coming?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

BAYNE: I really see that MR. improving. We have a person who has been very active in coalition building. We are about to get another person on the staff who will be active in that area. We happen to think that education of the public and the building of these coalitions is one of our most major functions to gain support for our industry. I happen to think that our industry has not been as effective as it could have been in the past in explaining why it's important to the economy of the 10 United States that we maintain this vital industry, 11 and so we need to work on that. 12

> COMMISSIONER de PLANQUE: Specifically in of written educational or informational materials, do you foresee a lot of activity in that area?

have done --BAYNE: We surprising to me the amount of material that is available. We did a survey last year to find out what is available to the American public. We found there's a great deal available, but it's not in modern format, and by that I mean there's a great deal of written material, but when you teach today's students and talk to people frequently, written material is not as effective as a video, some interactive program. We

NEAL R. GROSS

2

3

4

5

6

7

8

9

13

14

15

16

17

18

19

20

21

22

23

24

are lacking in that. We did the survey to see what we could do to improve it.

I wish I could tell you we had some sort of solution. We don't have a solution, but we haven't ignored it and we are working on it.

COMMISSIONER de PLANQUE: Okay. Thanks.

CHAIRMAN SELIN: I have a couple of

I think it's very important, Mr. Bayne, that you follow up on Commissioner Remick's question about the materials licensees, obviously for general reasons, but there's also specific reasons.

As the Commission goes more towards workshops and participatory activities, if there are classes of licensees for which the NEI can really speak, you know, mills or mill tailing licensees of fuel facilities, and therefore, if we could go through the NEI for representation as we could with power reactors, that might turn out to be convenient. If you will end up with a rule like an 80 percent rule for other classes of licensees, it would be important for us to know it. It's obviously not critical, but, as we try to put representative groups together for some of these other pieces, the question is who are they representing and who represents them, and so that

NEAL R. GROSS

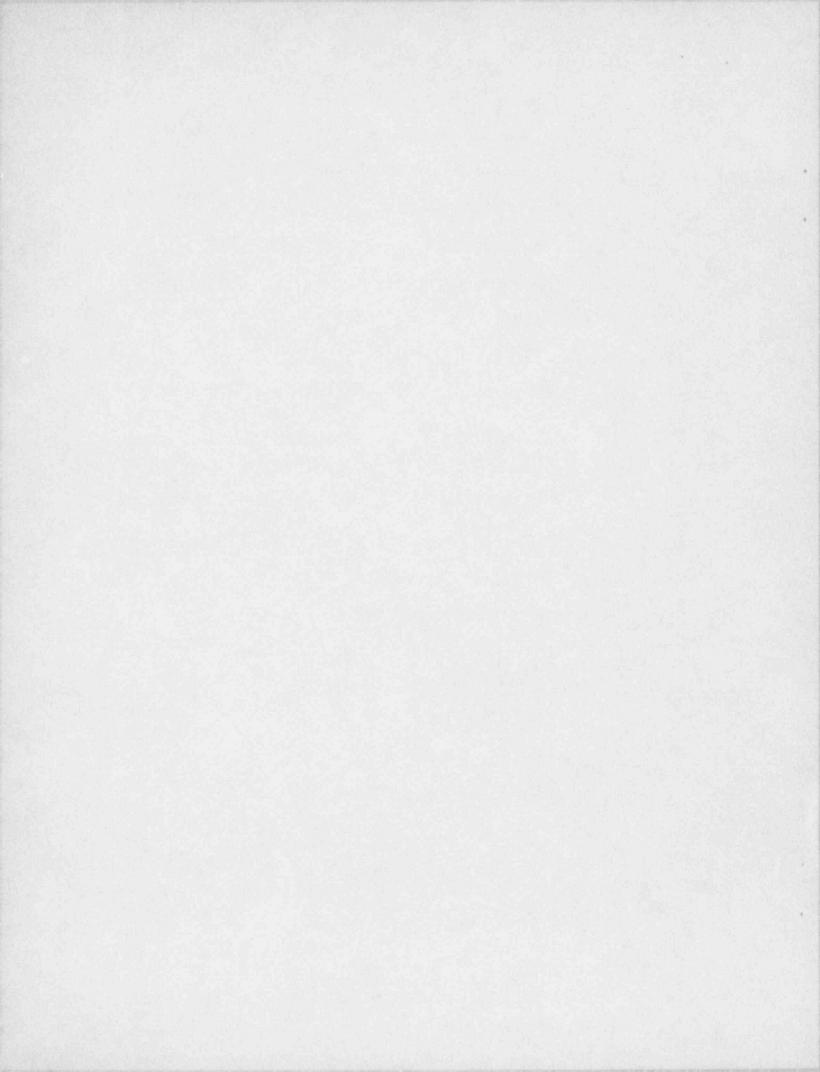
COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

comments.

would be particularly helpful. 1 On a broad basis, the Commission thanks 2 you for your presentation. Our only true vested 3 interest is that we continue to get technical 4 interaction on regulatory issues, not clouded by 5 desires to make a particular public statement. We are 6 very interested, but how you run these other 7 activities that we've asked about is your business, 8 obviously, and we're just trying to understand a 9 little more of the interactions between these pieces. 10 So, we wish you the best of luck and --11 well, maybe luck isn't part of it, but success in 12 carrying out these activities, and do hope that, if 13 anything, the regulatory interactions will be 14 strengthened and put on an even more technical basis 15 than they have in the past. 16 Thank you very much for your appearance 17 this morning. 18 MR. COLVIN: Thank you. 19 MR. BAYNE: Thank you. 20 (Whereupon, at 9:51 a.m., the above-21 entitled matter was adjourned.) 22

23

24



CERTIFICATE OF TRANSCRIBER

This is to certify that the attached events of a meeting

of the United States Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING BY NUCLEAR ENERGY INSTITUTE

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: MARCH 31, 1994

were transcribed by me. I further certify that said transcription is accurate and complete, to the best of my ability, and that the transcript is a true and accurate record of the foregoing events.

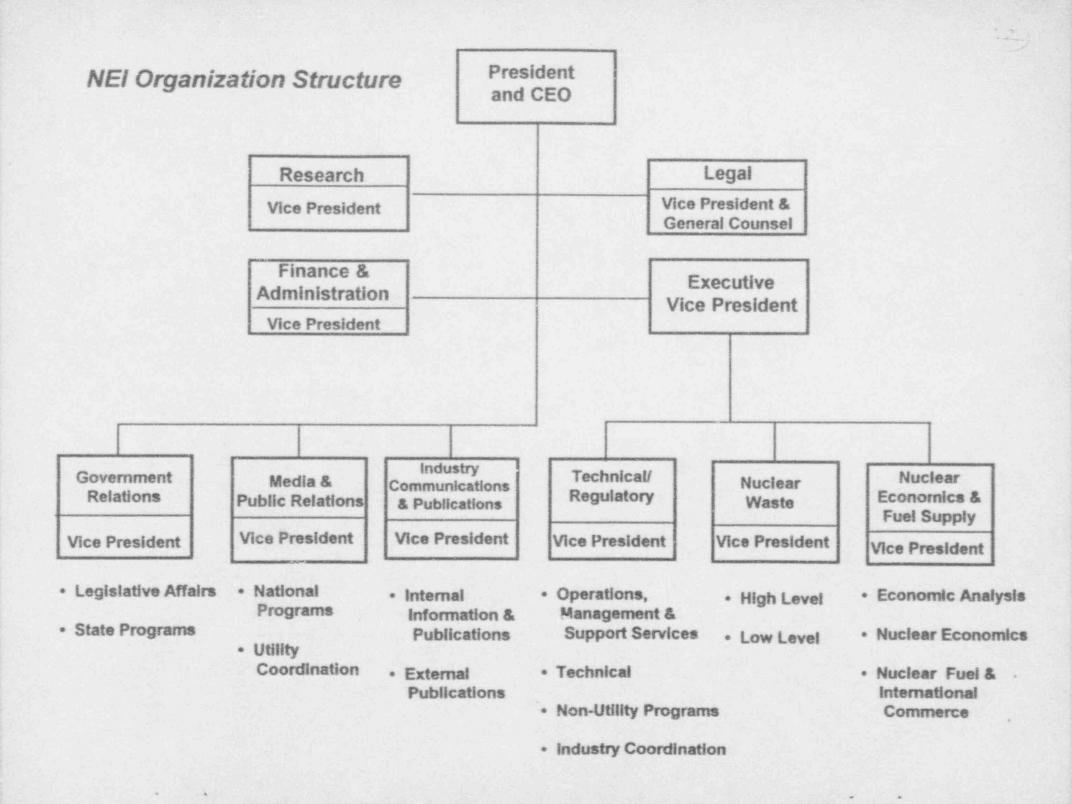
Carol Lynch

Reporter's name: Peter Lynch

NEAL R. GROSS COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W. WASHINGTON, D.C. 20005

NUCLEAR ENERGY INSTITUTE MISSION

development of nuclear energy to "The purposes of the institute are goals and to support the nuclear continued safe utilization and environmental and economic to foster and encourage the meet the nation's energy, energy industry...



NUCLEAR ENERGY INSTITUTE MEMBERSHIP

- · Nuclear utilities
- Manufacturers
- Architect/engineers
- · Labor unions
- Radiopharmaceuticals
- Nuclear fuel-related businesses
- Law firms
- Consultants
- Financial analysts
- Research facilities
- Universities

IMPROVED ECONOMIC PERFORMANCE STRATEGIC PLAN FOR

- Actions to Improve Operational Cost Effectiveness
- Standardized Industry Practices
- Economic Performance Measures
- Operational Design Improvements

MPROVED ECONOMIC PERFORMANCE STRATEGIC PLAN FOR

Interactions with External Entities Actions to improve industry

Guidelines for Licensee Interaction 1 × ×

- Management of Generic Issues

Financial Community Confidence Development of Public and

IMPROVED ECONOMIC PERFORMANCE STRATEGIC PLAN FOR

Actions to Improve Regulations and Regulatory Processes

- Regulatory Threshold

Performance- and Risk-based Regulations

- Effective Regulations and Regulatory Processes

NUCLEAR WASTE PRIORITIES

- Progress toward final disposal
 - Adequate funding for Yucca Mountain characterization
 - Appropriate licensing approaches and standards for radiation protection
- · Resolution of 1998 issue
 - Integrated spent fuel management, including interim storage
 - Support for private interim storage proposals
- Transportation infrastructure; multi-purpose canister