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NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

PUBLIC MEETING

BUDGET PRESENTATIONS

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Place - Washington, D. C.

Date - Wednesday, 1 August 1979

Pages 1 - 116

Telephone:
(202) 347-3700

ACE - FEDERAL REPORTERS, INC.

Official Reporters

444 North Capitol Street
Washington, D.C. 20001

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ADM/EDO/COMM BUDGET DISCUSSIONS

Room 1130
1717 H Street Northwest
Washington, D.C.

Wednesday, August 1, 1979

The Commission met, pursuant to notice, at 11:30 a.m.

BEFORE:

- DR. JOSEPH M. HENDRIE, CHAIRMAN.
- PETER A. BRADFORD, Commissioner.
- RICHARD T. KENNEDY, Commissioner.
- JOHN AHEARNE, Commissioner.
- VICTOR GILINSKY, Commissioner.

Also Present:

- MESSRS. ENGELHARDT, BARRY, GOSSICK, RYAN, COLLINS,
KERR.

1 [Commission Gilinsky not present.]

2 CHAIRMAN HENDRIE: Okay, let us resume.

3 Let us do the following:

4 We will turn now to the offices under the
5 Executive, immediately under the Executive Director, and
6 give Lee a chance to make any comments.

7 Mr. Barry, I guess, will offer an overview from
8 the Staff's standpoint.

9 We will see where questions of the Commissioners
10 arise on the one hand, and on the other, where there are
11 specific office items that we ought to hear about.

12 There are two listed on a tentative schedule here.

13 After that, I want to turn to the Office of
14 Administration. I suspect our time will run out before we
15 are through discussing the Office of Administration.

16 I think because the people are here from Bethesda,
17 from Admin, a number of them, I think I will want to take up and
18 finish Admin.

19 Then this afternoon, as soon as we come back, and
20 when we get to a breaking point, why, we will see what
21 people's ability to come back for the afternoon is.

22 MR. GOSSICK: I'd like to just make two comments on
23 EDO and Administration offices.

24 As you will recall, in our '80 budget, 108 positions
25 that we asked for, there are only 11 that really dealt with

1 the EDO offices, the Staff offices, and Admin. And, of course,
2 those were all zeroed, some rather painfully.

3 The national programs in particular, we had four
4 positions that we actually planned on going ahead and filling
5 ahead of time, and we are in various stages of doing that, but I
6 think we do have a very real problem, resulting from the fact
7 that all of those positions were zeroed out.

8 There is also a matter that I will mention now.
9 Whereas you will recall that the NRR got into a big bind last
10 year and we scurried about and reprogrammed, and spaces, we
11 borrowed some spaces from Admin in the security area, and put
12 those over in NRR, with the clear understanding that if the
13 situation developed where that work load developed, we would
14 probably have to take some of those back.

15 I think we are kind of at that point right now, that
16 we'd have to consider that. There is about five of those
17 positions. Dan will cover this.

18 But we do have a problem of perhaps readjusting
19 that allocation.

20 Then, of course, there is also the more general
21 problem that Dan will cover when he gets up, on the temporary
22 spaces and the arguments that one can make and the problems
23 that arise from a conversion.

24 There is about 156 positions that are now essentially
25 full-time temporaries, but I think that he will cover that.

1 I'll ask him to go ahead now and just go through the EDO
2 offices. We only have one reclama, by the way, that Mr. Ryan
3 would like to be heard on his mark.

4 MR. BARRY: Mr. Chairman, I think we can expedite
5 our EDO review with several comments I can make.

6 On the work sheet we passed out as part of your
7 package, that's the format we set down on your total package
8 titled EDO Offices. If we turn to that and turn to the second
9 page where you get a summary coverage of all of the offices
10 involved, under the EDO, except Admin, which is covered
11 separately, there is several comments I can make.

12 The budget issue we have here is really one of
13 people rather than dollars, and dollars within the EDO offices.
14 We are not talking a great deal of money, and the little increase
15 between fiscal year '80, which has been approved, and fiscal
16 year '81, is \$500,000; about \$150,000 of that is program support,
17 would be in MPA, Norm Haller's outfit, and that would be
18 technical assistance that he will use in conjunction with this
19 operational data analysis function.

20 In other words, to supplement the work he will be
21 doing with his own staff, he will require some technical
22 assistance in that area.

23 And the other thing in the \$150,000 is an increase
24 in state programs which Bob Ryan will talk to, basically an
25 increase in state training assistance by this agency, and that's

1 not much of an increase, and so I don't believe through the
2 process we will have much of a problem with the dollar process.

3 COMMISSIONER KENNEDY: Was there any consideration
4 given to taking a piece that's in the research budget for
5 this analysis, and putting it over here, where it belongs?

6 MR. GOSSICK: These are really two different things.
7 I believe the dollars that Norm is asking for --

8 COMMISSIONER KENNEDY: I realize that, I'm not
9 suggesting it is the same thing. I'm just saying it belongs
10 under the EDO some place, and it is not in Research's budget.

11 COMMISSIONER AHEARNE: But it's a larger question,
12 isn't it, which we are now putting in the FY '81 budget? There
13 I would think would be a line item corresponding with that new
14 office.

15 MR. GOSSICK: I think that's right, as we put this
16 together in final form, the Commission's decision to go ahead
17 with this office, and I hope to talk to you about the manning
18 and staffing of that today, if possible. I think that would be
19 appropriate.

20 COMMISSIONER AHEARNE: Because there is still a
21 question in my mind whether it shouldn't be at least identified
22 in FY '80, but certainly in FY '81, it ought to be identified,
23 and in the construction of that, I think you ought to identify
24 where those people are coming from.

25 MR. GOSSICK: I agree.

1 COMMISSIONER AHEARNE: Since I understand what we
2 approved is some of the people are being pulled out of some
3 of the offices.

4 MR. GOSSICK: That's right. The only question is,
5 well, we can go ahead and take a guess at what the final size
6 is and look into the '81 budget and change it for next year.

7 COMMISSIONER AHEARNE: I think that ought to be done.

8 MR. BARRY: Okay. If you look at the people, the
9 offices requested 22 additional people in '80, in a supplement
10 related to TMI, between the BRG.

11 Well, that was with one exception. That's with the
12 eight people you see listed down there in state programs.
13 That can now be related to TMI, but it's for emergency
14 preparedness. That, and the amount of dollars involved, are
15 in sync with the Senate authorization for fiscal year '80,
16 in which they contemplate eight people and a certain amount
17 of funds for state programs.

18 COMMISSIONER AHEARNE: When you say you have a
19 current estimate without supplemental, that's prior to that
20 action?

21 MR. BARRY: Yes, that's the base program, so that
22 would be a supplementary amount in people and dollars to that.

23 And, as I say, that's right in sync with the
24 Senate authorization.

25 In '81, the offices asked for an increase of 85

1 positions. There's the BRG and the EDO thought was a bit much.
2 We did recognize that there were about 26 positions that were
3 justifiable.

4 COMMISSIONER AHEARNE: When you say they asked for --
5 over what?

6 MR. BARRY: Over the 315 that you see in the current
7 estimate.

8 COMMISSIONER AHEARNE: And they are asking for 400?

9 MR. BARRY: I'm sorry, was my arithmetic wrong?
10 75 -- I guess it is. It goes from 315 to 390. Yes, you are
11 right, it is 75; I'm sorry.

12 And we scrubbed that down to 26.

13 One of the larger areas of request was in ELD. I
14 don't know whether --

15 COMMISSIONER AHEARNE: They had the BRG using a
16 green eyeshade and a great skepticism we all have about lawyers.

17 COMMISSIONER KENNEDY: Alternatively, he declared he
18 had a conflict of interest and refused to participate.

19 MR. BARRY: The bottom line is there was no reclama
20 on that.

21 CHAIRMAN HENDRIE: What is the current level of the
22 ELD? It's 95, isn't it?

23 MR. BARRY: The current authorization will be 95,
24 because we have two lawyers in there that got pitched out.

25 COMMISSIONER KENNEDY: Excuse me. Bodily or --

1 [Laughter.]

2 MR. BARRY: The 11 positions that we are referring
3 to that we lost --

4 COMMISSIONER AHEARNE: When you say we lost two,
5 did the Appropriations Committee specifically go down EDO's
6 office?

7 CHAIRMAN HENDRIE: What they did was take the 108
8 positions and say 40, zero, and then they came back in subse-
9 quently and said, "Oh, you're having a lot of trouble licensing?
10 Here's 100 for licensing." So that was the way.

11 MR. BARRY: And of the 11 positions, those were
12 articulated in our request, so they, of course, knew.

13 COMMISSIONER AHEARNE: There was no way, for example,
14 did they say we do not believe that the ELD should go to 97?
15 What they really said is, "NRC, if you think ELD should go to
16 97, find two spaces for them."

17 COMMISSIONER KENNEDY: Except from Licensing.

18 MR. BARRY: Yes, except from Licensing.

19 CHAIRMAN HENDRIE: MPA has a level pre-'80 supplement
20 of what here? It goes down, it comes up, it goes down.
21 Well, it says '76. Does that assume anything?

22 MR. BARRY: That's a transfer of two people from
23 other areas into MPA, agreed-upon transfer.

24 CHAIRMAN HENDRIE: Okay, so that is correct.

25 International programs is at what strength now? 28,

1 isn't it?

2 MR. BARRY: 28. We had hoped to go to 32, but
3 they would be standing at 28 as far as any additional
4 authorization or appropriation is concerned.

5 CHAIRMAN HENDRIE: In state programs, is it 28 or 27?

6 MR. BARRY: They are at 27, and we hope to increase
7 them by one.

8 COMMISSIONER AHEARNE: We've loaned them how many
9 people?

10 MR. GOSSICK: They've got four people.

11 Bob, you want to come on up?

12 COMMISSIONER AHEARNE: How many people do you have
13 on loan?

14 MR. RYAN: I've got three people on loan from NRR.
15 We expected to have four, but one of those gentlemen retired
16 recently.

17 COMMISSIONER KENNEDY: After being loaned?

18 MR. RYAN: Before being loaned.

19 COMMISSIONER KENNEDY: NRR gets credit for that, I
20 assume.

21 MR. RYAN: I don't know how that is carried on the
22 books. The question is beyond me.

23 COMMISSIONER AHEARNE: So you have three people on
24 loan?

25 MR. RYAN: We have three people on loan from NRR

1 until October 1, 1979.

2 MR. GOSSICK: I think that's a floating date.

3 MR. RYAN: I think that's what the paper says.

4 COMMISSIONER AHEARNE: 27.

5 MR. BARRY: Other than what Bob will have to say
6 here in a couple of moments, the only other significant
7 difference between requests and what the BRG and the NRR
8 permitted was in the EDO. You can see 17 versus 5, or a
9 difference of 13.

10 COMMISSIONER KENNEDY: Excuse me. In 1980, with
11 the supplemental is to be four?

12 MR. BARRY: Without the supplemental.

13 COMMISSIONER KENNEDY: Without the supplemental.
14 Nothing was asked for the supplemental?

15 MR. BARRY: Nothing was asked for the supplemental.

16 COMMISSIONER KENNEDY: So that was an increase being
17 proposed of 13?

18 MR. BARRY: Yes. There are two areas that are
19 very large. One was simply about half of the people to help
20 manage the Title IV and Title XI acts, which are the acts that
21 require all government agencies to in effect police any
22 contractor -- in our case, licensees and/or contractors -- to
23 ensure discriminatory practices are not condoned, and so on.

24 There is a paper the ELD has sent out to the
25 Commission to propose how we would do that.

1 COMMISSIONER AHEARNE: When do you expect that paper?

2 MR. ENGELHARDT: The ELD assumed the burden of
3 assisting in preparation of this paper about a week ago, and
4 the first draft was on my desk yesterday. I marked it up
5 and sent it up so that it is in process. It should be hopefully
6 down to EDO by the end of this week, or early next week.

7 COMMISSIONER AHEARNE: Well, if we are going to
8 make a budget decision based on that, we really would have
9 to have it certainly no later than the beginning of next week.

10 MR. GOSSICK: Let me ask Tom if he can indicate how
11 we come out with regard to resources as a result of the considera-
12 tion of the policy paper.

13 MR. ENGELHARDT: Roughly the way the resources would
14 go is it would probably involve one, no more than two,
15 additional personnel to deal with the policing aspects of the
16 program.

17 MR. GOSSICK: I think another factor here --

18 COMMISSIONER KENNEDY: Is that the understanding
19 also of Mr. Tucker, who is sitting here?

20 MR. TUCKER: No, it is not.

21 MR. ENGELHARDT: I am not sure he has seen the
22 paper that we are proposing, and as I say, this is our
23 preliminary shot. We may come with a different attitude.

24 COMMISSIONER AHEARNE: At most, it would end up
25 being your recommendation?

1 MR. ENGELHARDT: That's correct.

2 COMMISSIONER AHEARNE: We might interpret differently,
3 but that is why it is really critical to get the paper.

4 MR. GOSSICK: Now let me add that I think really
5 in fiscal year '80, I am going to have to do something in the
6 way of an overage basis or whatever of allowing the acquisition
7 of one more staff, as soon as we can find the proper person.
8 We had a loan in there, who just left the agency, so I agreed
9 that it does need additional professional staff person in there
10 to help process it, taking it on.

11 COMMISSIONER AHEARNE: Since we are talking about
12 this, what is the status of the study, which I noticed is one
13 of the reasons that I think BRG said you would have to defer
14 until the results of the study? That study seems to be taking
15 a very long time to get out in terms of --

16 [Commissioner Gilinsky arrived at 11:50.]

17 MR. GOSSICK: I believe -- has the RSF gone out?

18 Mr. Rheim has been chairing the source in this on
19 that, and the money has been allocated to allow us to proceed,
20 and it is my impression that it is ready to go out. Tom is
21 on leave this week, but I'll check and be sure.

22 COMMISSIONER AHEARNE: Would you ask him?

23 MR. GOSSICK: Pardon me?

24 COMMISSIONER AHEARNE: That's that study, the EDO
25 study, remember?

1 CHAIRMAN HENDRIE: Well, contracting takes years.

2 COMMISSIONER AHEARNE: It helps to get the RFP out.

3 MR. GOSSICK: Well, we haven't had the decision
4 really all that long in our hands to go ahead. I have to find
5 somebody to --

6 COMMISSIONER AHEARNE: Could you let me know, though?

7 MR. GOSSICK: Yes, we'll get you the --

8 COMMISSIONER KENNEDY: You will do all possible to
9 remedy that.

10 MR. BARRY: Mr. Chairman, I believe the others
11 numbers involved in the increases are twos and threes, so we
12 can handle those during mark-up.

13 COMMISSIONER AHEARNE: Could I ask a question now?
14 I know Bob is here, and we are going to get the state programs,
15 but let me just ask a question.

16 There were two additional people asked, and it
17 wasn't clear the way the BRG's line item was led to
18 interpret that they had asked the person in health safety to --
19 in '80, and the conclusion is they don't need it in '81?

20 MR. BARRY: That was our conclusion, but you might
21 want to hear from Jim Shea, in their reclama. I believe
22 the justification changed somewhat from what we had received
23 in the budget.

24 COMMISSIONER AHEARNE: Just to make sure I under-
25 stand, also is BRG's position as far as safeguards went,

1 international safeguards, that really on NMSS, would that
2 reliance include dealing with the State Department and the CIA?

3 MR. BARRY: : No, it would not, but we felt that
4 the amount of effort involved there was so small, it really
5 didn't justify, but we do feel very positively about the four
6 that were lost in '80, something ought to be done to restore
7 those.

8 With that, I will defer to Bob Ryan.

9 Thank you, Mr. Chairman.

10 I'd like to ask Mr. Collins and Mr. Kerr to join
11 us at the table.

12 MR. RYAN: Our reclama deals with people for our
13 office of agreements states, and I'd like to also discuss
14 several other items which are currently called satisfied, and
15 tell you what our rationale is and what our intention would be
16 if that money were made available.

17 The first one, as I say, is a reclama, having to do
18 with slots and people who are working with the uranium mill
19 tailings legislation enacted into law last year.

20 Mr. Kerr, do you want to talk about that?

21 MR. KERR: Thank you, Bob.

22 COMMISSIONER AHEARNE: Excuse me, Ed. I want to get
23 back to you.

24 MR. KERR: What I understand has been considered as
25 the '81 budget, I would note that we have asked for a full-time

1 temporary in the mill tailings area in 1980, which we have
2 no decision on yet, it will be decided in another arena.

3 We are reclaiming for three full-time permanent in
4 1981. This would reduce, by the way, from something like five
5 overall in the office, to three.

6 And to implement the Mill Tailings Act, we have
7 the grants to be done in fiscal year 1980, with probably a
8 little bit of spillover into 1981.

9 It requires a new training program for state personnel,
10 extensive negotiations on agreements for at least four and
11 possibly as many as nine states, as we see it right now, involved
12 with procedures, statutes, staffing, and so on.

13 COMMISSIONER AHEARNE: How many states?

14 MR. KERR: A minimum of four, definitely; possibility
15 of as many of as nine, as I see it, in the current agreement
16 states.

17 COMMISSIONER GILINSKY: Is NMSS involved in this
18 process, and to what extent do you expect it to be involved
19 in your negotiations with the states?

20 [Commissioner Bradford departed at 11:45.]

21 MR. KERR: Well, I think primarily the negotiations
22 would be handled, getting all the material that we need from
23 the states, evaluate all these things that we just mentioned,
24 we will take the NMSS regulations once they are promulgated
25 in final form and use those certainly as the standard which

1 we will require for the Mill Tailings Act. We are actually
2 reviewing statutes in connection with ELD and procedures
3 process in the application and using, you know, kind of our own
4 system as a point of reference as to how much staff and so forth
5 is needed.

6 COMMISSIONER GILINSKY: Would you be doing all the
7 reviews?

8 MR. KERR: We will be doing the bulk of it. There
9 are certain aspects that we will be working certainly with
10 NMSS and with Legal, particularly Legal is very heavily
11 involved in negotiating an agreement.

12 You know, I think the developing criteria and things.

13 COMMISSIONER AHEARNE: But as far as the Mill
14 Tailings Act is concerned, is it -- there's the review that
15 you would be doing, would it be with respect to the provisions
16 of that act, and therefore the provisions of licensing current
17 jurisdictions?

18 MR. KERR: The negotiated agreements have to do
19 with getting them in place so they can continue to regulate
20 if they so choose. It's the preparatory work so that they can
21 carry it out after 1981.

22 Now, however, starting in 1981, there is a shift
23 to ongoing review work. Right now the way we are working, of
24 course, with NMSS, is providing direct assistance to them
25 on environmental assessment.

1 We feel that because of the nature of the industry
2 and the subject, that we would have to spend more time when
3 we do go out and do the regular reviews, and reviewing plant
4 material at that time also.

5 Now, I think the justification is that the payoff is
6 very great.

7 [Commissioner Bradford returned at 11:50.]

8 These states come in -- it is my understanding that
9 NMSS on a new case spends approximately a manyear and up to
10 \$150,000 to \$160,000 a year. That's roughly equivalent to
11 about three total manyears.

12 So if you get one new case in these four to nine
13 agreement states in these years, it's an even swap, as I see it.
14 But if they handle one case a year -- and I think we are
15 amongst all the agreement states and back to the EDO mark, was
16 not to approve anything in this area, and the effect is that
17 we don't have very much flexibility in many of our areas.

18 The prime area of flexibility is in the review
19 program, and if we, you know, have to do the mill work, it seems
20 to me like the review program as it exists now would have to be
21 cut back.

22 Now there is a new issue --

23 COMMISSIONER GILINSKY: When you said in mill work,
24 cutting back --

25 MR. KERR: If we have to take the effort

1 out of existing staff to do this mill work with the people we
2 have on board, then something has to suffer. The main area
3 of flexibility is what we do currently in review.

4 MR. RYAN: I should point out the total for the
5 state agreement program is 10 people; eight professionals, and
6 two clerical.

7 MR. KERR: Now we have a new issue that bears on
8 this, and this is Commissioner Gilinsky's memorandum of July
9 20th. It indicates we would improve our monitoring of state
10 performance.

11 If that implies that we spend more time in more
12 depth on existing programs outside the mill program, that has
13 implications of staffing also. We have asked for two people
14 in FY '78, '79, '80, and we got nothing --

15 COMMISSIONER KENNEDY: What would they do?

16 MR. KERR: Generally, as I understand the thrust
17 of the thing, it would imply that we would spend more time
18 when we go out and do the reviews, spend more time with
19 inspections, perhaps look at -- certainly look at more files.
20 But I think that's what I read into it, anyway. The more
21 in-depth inspections.

22 MR. RYAN: This was a commitment that was made to
23 the Udall committee a week ago, a week ago Thursday, at the
24 time of the testimony of Commissioner Gilinsky.

25 COMMISSIONER AHEARNE: Is this commitment in the

1 written testimony?

2 MR. RYAN: Yes.

3 COMMISSIONER KENNEDY: What was the nature of the
4 commitment?

5 MR. RYAN: We would revise the criteria under
6 which the states for the program was monitored, to look more
7 closely at providing technical assistance to the agreement
8 states, and increase the level of our scrutiny, deductive
9 review of the agreement state programs.

10 COMMISSIONER AHEARNE: What did you have in mind?

11 COMMISSIONER KENNEDY: You assess this to be the
12 equivalent of two manyears?

13 MR. KERR: Get to that point --

14 MR. RYAN: This came up after the point that we
15 were making this reclama. We suggest that some time we need
16 additional help in the mill area. Our point today is that if
17 we are to do this work in the mill area, and if we are to
18 carry out this commitment which has been made in the past, we
19 are going to need additional help. That's basically it.

20 COMMISSIONER KENNEDY: And the amount of the
21 additional help associated with the commitment you assess
22 to be approximately two manyears?

23 MR. KERR: No, we haven't got to that point yet,
24 Commissioner. I said we had asked for two. We've had no
25 increase since the early '70s. We've had one new state come

1 in, states are tending to split agencies, and then we go review
2 both of those agencies, and that increases their work, their
3 own number of licenses increase.

4 And I might mention that the task force in the
5 agreement state in late '77 that reviewed the program and
6 explained to them in detail, and they concluded that no
7 particular change was needed at that time.

8 So if the implication is we need to do more in
9 depth, we need some guidance on how much more in-depth and
10 so on.

11 I say we've asked for two in the past. It gets to
12 the question of, you know, how many times do you look over
13 their shoulder? Every case we do it now on a scale size.
14 We do more in California and Texas than we do in New Hampshire,
15 which is a small state.

16 So the summary on the reclama is that the direction
17 was the three full-time permanents in '81 for the mill case,
18 but this other issue certainly bears on things, as of today.

19 COMMISSIONER KENNEDY: I guess what we need then
20 is some kind of a definition of this new issue, extended or
21 whatever it is, together with a resource requirement, so that
22 we can act on it.

23 MR. RYAN: We are trying to do that, yes.

24 While we are on the subject of agreement states, I
25 think I'd like to raise an item which has been identified as

1 a set-aside for FY '82, and it concerns seed money for the
2 agreement states.

3 I might point out this was -- it's a million dollar
4 item. This was a recommendation that also came out of your
5 task force on the agreement state program which filed its
6 report on the agreement states in December of 1977.

7 It was pointed out in that report that in the closing
8 days of the AEC, a similar request has been made, and the AEC
9 said, "Let us defer this until the coming into force of the
10 new Nuclear Regulatory Commission, because we wouldn't want
11 to commit those folks to something in advance. So let us look
12 at that when NRC comes into existence." And it's been raised
13 periodically since that time.

14 Each time it's been deferred or set aside, or "we'll
15 consider that at some future time."

16 The rationale of the task force report is this:
17 that it would be desirable as a matter of national policy to
18 have the vast majority of material licenses, that is small
19 licenses, medical, industrial, radiography and so on, regulated
20 by the states rather than by the federal government.

21 As it stands now, we have 12,000 licenses regulated
22 by the agreement states, approximately; and about 8000 regulated
23 by the NRC.

24 The task force suggests that we look to the day
25 when the vast majority of those licenses are regulated by the

1 states, recognizing that it will probably never come to pass
2 that all states would join the program.

3 We had a recent example of the problem of money
4 with the state of Michigan, the governor of Michigan, Milliken,
5 wrote us a letter and said yes, he'd like agreement state
6 status, yes, he would be very interested in it, yes, he will
7 try to seek some additional funds from the legislature in the
8 next session to achieve that.

9 The seed money concept, which has been talked about
10 for, I guess, close to nine years now, is not a continuing
11 piece of business. It is a one-shot proposition, and under
12 it the NRC would provide start-up money for states to allow
13 them to join the agreement state program.

14 I'm talking about enormous sums of money. I'm
15 talking about sums geared to the states in question. For
16 instance, which is now shortly to be before you, we have 50
17 licenses.

18 In Illinois, you have 758 licenses, I guess.

19 Michigan, 700, and so on.

20 So the funds that would proceed from the NRC
21 presumably under a regulation which we would devise in our
22 policy statement would be tailored to the circumstances of
23 the individual state.

24 Obviously you'd get more on Michigan than you
25 would in Rhode Island. We are thinking in terms of 50 or

1 60,000 dollars or something like that over the larger states,
2 and a somewhat lesser sum for the smaller states.

3 This fund would be used to purchase equipment, to
4 train people, to hire individuals in the first instance, and
5 for work in the program to set up file systems, to do the
6 physical details attendant to an agreement states status with
7 the NRC.

8 Wayne, do you want to add anything to that?

9 CHAIRMAN HENDRIE: How appropriate is it to be
10 funding state personnel here? If the state is going to be
11 an agreement state, they're pretty well going to have to face
12 up to it and provide staffing for it. We might provide funds
13 for the first six months for a two-person office. If the
14 state isn't right behind the thing with an appropriation
15 for the long term, why, it's not going anywhere, and it's
16 not so clear to me that's -- equipment is a little bit
17 different, or particularly in the state government climate
18 where, after all, the hiring of people means people's husbands,
19 wives, cousins, uncles, brothers, and generally regarded
20 with enthusiasm --

21 COMMISSIONER AHEARNE: In many states, generally
22 that's not --

23 CHAIRMAN HENDRIE: I'd be very surprised if there
24 weren't considerable enthusiasm.

25

[Commissioner Kennedy departed at 12:08.]

1 But oftentimes equipment is a touchy item, and I --
2 \$20,000 worth, say, of radiation, you know, portable radiation
3 monitoring instruments can be practically an insurmountable
4 problem in the state process.

5 MR. RYAN: I agree.

6 We are not talking about a continuing funding program
7 for states. What we are talking about is a program which
8 would allow states to gear up in a rapid-fire fashion. There
9 are Civil Service requirements in most states that I am familiar
10 with. It takes time to work with those requirements fully.

11 What they can do with this kind of an assistance
12 is provide temporary salaries for temporary employees until
13 their full Civil Service system can take effect.

14 In other words, you can put a person on in January
15 instead of waiting for the forms on the other kind of business
16 to work its way through, it might be August.

17 Also, it takes into account the vagaries of state
18 legislature, where in some cases you are talking about a
19 two-year -- every other year for the state legislation to meet,
20 and this would allow a program to begin even before the
21 legislature had authorized and appropriated some funds. It's
22 an assist. It's a boost over the fence, really, and it's
23 not intended to be, nor would I support the idea, of a
24 continued program of NRC or any other agency in the federal
25 government funding individual salaries and programs along

1 that line.

2 CHAIRMAN HENDRIE: Okay, why don't we move ahead.

3 MR. RYAN: We have two other items which are
4 identified as set-asides. One of them has to do with grants
5 to the states in connection with emergency preparedness.
6 This is an item which has been authorized in the Senate version
7 of our authorization bill for FY '80.

8 I'd like Mr. Collins to talk about this, and tell
9 you what we have in mind, and where this fund would go if it
10 were authorized and appropriated and came into our program.

11 CHAIRMAN HENDRIE: Let me just clear up, before
12 you plunge ahead, the last item, seed money to states for the
13 agreement states to encourage them to become agreement
14 states. Is that in '82?

15 MR. RYAN: '82, FY '82 is 1 million, right.

16 CHAIRMAN HENDRIE: Okay.

17 COMMISSIONER GILINSKY: Of course, when the
18 agreement state program was set up, quite a point was made of
19 the fact that -- well, it's been a long time ago, but that
20 there would be no federal money --

21 MR. RYAN: Well, as you said yourself, Commissioner,
22 in your testimony, a lot of things have changed since 1959.

23 COMMISSIONER GILINSKY: I was just making the point
24 that it is a major departure from the program.

25 MR. RYAN: Well, the only way it could come to pass

1 would be if Congress validated it, and if Congress validated
2 it, presumably they would accept the rationale. If they
3 didn't, we would be back to where we were before.

4 COMMISSIONER GILINSKY: Well, I suggest that there
5 ought to be a pretty good reason for it.

6 MR. RYAN: Sure. I think you find the rationale
7 in -- well, the continued debate on this item for this
8 Commission and the previous Commission over the years, and also
9 this most recent task force report of various offices dealing
10 with this problem in December of '77.

11 COMMISSIONER AHEARNE: I guess one of the things
12 we might do is go back to Governor Milliken, and say how much
13 money. You recall he's the one who at first said no way,
14 and NRC kept on saying well, will you take it this way; no.
15 Take it this way; no. And finally the last effort, he said all
16 right, yes, I will agree, but I don't have any money. So
17 that's going to be a big question, how much money.

18 COMMISSIONER GILINSKY: I guess I'm troubled about
19 our habit of pushing these agreements. You know, there is a
20 program for states to accept certain responsibilities we
21 then share with them, and we come to an agreement.

22 MR. RYAN: Well, Milliken is a good example, I
23 think. Milliken has said in Michigan that he is prepared to
24 accept the program, but that he hasn't budgeted for it, because
25 of the long budget cycle in the state of Michigan, and the fact

1 he has to go back to the legislature. They have the same type
2 of thing in many states that we do, we look in terms of five-
3 year budgets.

4 What this would do would not basically change
5 that determination by having to accept, or the offer by us to
6 accept.

7 What it would do would allow this thing to take
8 place sooner than it otherwise would take place.

9 COMMISSIONER GILINSKY: Well, it's a sweetener of a
10 kind. I don't think you can represent it as anything other
11 than that.

12 MR. RYAN: The view of most states, by the way,
13 when we completed the work on this task force report and
14 circulated to the states, in most states this would be
15 desirable.

16 COMMISSIONER AHEARNE: Bob, do we have a conclusion
17 that -- has the NRC taken the position that the public health
18 and safety is improved by having the agreement states?

19 MR. RYAN: No, we have queried the CEQ on whether
20 it would be necessary to perform an environmental impact
21 statement analysis prior to accepting a state into the agree-
22 ment state fold, and their answer was no.

23 COMMISSIONER AHEARNE: Now my question really is
24 that if we are going out for a sweetener and encouragement,
25 a strong encouragement to the states to be involved, I can

1 understand Wayne's argument as laid out in the mill tailings,
2 that on balance it might be less cost option if you go that
3 way.

4 But my question was have we concluded that as far
5 as public health and safety is concerned, that the public
6 health and safety is improved by having an agreement state
7 in the agreement state then doing these things as opposed
8 to the NRC doing it?

9 MR. RYAN: I don't think we have concluded in so
10 many words. I think what we must conclude under the
11 statute is that the program presented is adequate to protect
12 public health and safety, and is compatible with the program
13 of the federal program, as an improvement. I don't know that --

14 COMMISSIONER AHEARNE: Right. Well, I can see us
15 being required to ensure that before we entered into an
16 agreement with a state that the public health and safety is
17 adequately protected, but before we would go out and actively
18 try to encourage and go to Congress and say, well, let's
19 take some money to assist these states getting there, I would
20 think that we would have reached the conclusion that it
21 would be an advantage.

22 MR. RYAN: I think it is an advantage, but it --

23 CHAIRMAN HENDRIE: I think, John, the fact that
24 Section 2.74 of the Atomic Energy Act exists, saying the
25 Commission is authorized, you don't normally pass pieces of

1 legislation saying to an agency, you are authorized to do this
2 thing, but our understanding is you are not too keen on it,
3 and we don't expect you to do anything about it.

4 Normally when the Congress legislates an authoriza-
5 tion to an agency in some areas of responsibility or some
6 mission, they do so with the expectation that there will be
7 some action.

8 So I think it's pretty hard to read the legislative
9 history of the Atomic Energy Act and conclude that the intent
10 in Section 2.74 was to provide an authority which was only
11 to be used if one could see perceptible health and safety --

12 COMMISSIONER GILINSKY: John was making the
13 distinction between --

14 MR. RYAN: I might point out --

15 COMMISSIONER GILINSKY: -- between coming to
16 agreements and actually going all out to seek adherence, and
17 Congress did make quite a point at that time, if you are going
18 back to that original amendment, of underlining the fact that
19 no federal funds were to go to the states as part of the
20 program.

21 CHAIRMAN HENDRIE: I'm not arguing for or against
22 the seed money concept, but only against what seems to me to
23 be an underlying current here, that the agreement state
24 program is a poor thing and we ought to have done with it.
25 If that's the sentiment, why, I'd like for people to make it

1 explicit.

2 COMMISSIONER AHEARNE: I'm not sure whether you --
3 I was asking the question --

4 MR. RYAN: I might point out that the language in
5 the 2.74 is mandatory. The Commission "shall" accept the
6 agreement state agreement provided the conditions are met;
7 it's not "may."

8 COMMISSIONER GILINSKY: Well, provided it can --

9 CHAIRMAN HENDRIE: Well, and so it is for the
10 issuance and maintenance of all licenses.

11 MR. RYAN: Yes, indeed.

12 Okay, let's, if I may, turn to the proposal for
13 set-aside item for grants, for emergency preparedness, grants
14 to state and local governments, which as, I mentioned, is
15 authorized in the Senate version of the FY '80 authorization
16 bill.

17 Mr. Collins.

18 COMMISSIONER AHEARNE: Is that in the FY '80 provision?

19 MR. RYAN: No.

20 COMMISSIONER AHEARNE: So that's already been through
21 Congress, and so it is not -- no funds.

22 MR. COLLINS: This concept appears in the report
23 of the committee on environment, public works, to accompany
24 S. 562, in that it says -- talks about initial grants to
25 state and local governments for emergency planning.

1 The amount of money we are talking about here,
2 this half million dollars, we envision it to be used in some
3 key problem areas, particularly at the local government level,
4 where there seems to be a real funding problem to get something
5 moving there.

6 Commissioner Gilinsky met with some local government
7 people. I was at that meeting a month and a half, two months
8 ago, from New York. These were representatives of five
9 counties around the Indian Point facility, and no commitments
10 were made to them, just to exchange information and look at
11 any proposal that they might come in with. We haven't received
12 any proposal, but it is areas like that, and also areas around
13 the Connecticut Yankee facility, where there are a lot of little
14 townships and no real ability to pull an emergency plan
15 together for those communities.

16 Another example is Lake County near Zion. We'd
17 like to be able to get into those local governments with some
18 modest wherewithal so that they can improve the situation,
19 and many of them just haven't got the wherewithal to do it yet.

20 COMMISSIONER AHEARNE: Would you envision this as
21 being a one-shot or a continuing sort of a subsistence program?

22 MR. RYAN: I think I envision it, if I may, as a
23 one-shot proposition because there is help in the wings
24 in the form of FEMA, which has come into existence under
25 the President's executive order two weeks ago. Mr. Macy has

1 been confirmed.

2 CHAIRMAN HENDRIE: He has been confirmed?

3 MR. RYAN: He has been confirmed by the Senate, now
4 in office and ready to go. The component agencies from the
5 Department of Defense, Emergency Preparedness Agency from HUD,
6 Disaster Assistance Administration carry with them the
7 authority to make grants to state and local governments in
8 connection with the emergencies generally, and our discussions
9 with Mr. Macy indicate that this is a matter high on his
10 priority list. He knows -- I was amazed to learn that he
11 had been out to Los Alamos in '47, '48, '49, he knows the
12 workings of the Atomic Energy Commission. He cares very much
13 about the idea of emergency preparedness.

14 So I think that in the long haul, the work with
15 counties and with states, providing money to states, would
16 come through FEMA, as it should, and I think it is the intention
17 of the executive order and the reorganization plan to husband
18 under that one umbrella all of the emergency preparedness
19 grants and money flow to the states and local governments
20 in perpetuity.

21 So I see it as a one-shot proposition and not as a
22 continuing item which will be back and forth, again and again
23 and again.

24 COMMISSIONER AHEARNE: Just then as a -- since
25 there is a lot of philosophy being discussed here -- philosophical

1 point, why shouldn't the utility customers provide that money?

2 MR. RYAN: I think the utilities should provide
3 money in the long haul, also.

4 COMMISSIONER AHEARNE: In other words, the rate-
5 payers --

6 MR. RYAN: Well, ultimately the ratepayers would --
7 probably in the rate basis as a necessary business expense
8 for utilities.

9 I think they should, and I think that's the direction
10 a lot of states are going in.

11 For instance, the Illinois legislature recently
12 passed a bill which is awaiting Gov. Thompson's signature
13 which will levy a fee on the utilities within the state -- I
14 think it is \$390,000, which will be parceled out to the state
15 agencies, through the state agencies to local government
16 agencies around the state to --

17 COMMISSIONER AHEARNE: But you do see this as a
18 one-shot?

19 MR. RYAN: I see it as a one-shot, and I see it as a --

20 COMMISSIONER AHEARNE: One-shot, perhaps, because
21 following this FEMA --

22 MR. RYAN: FEMA, and I think we ought to encourage
23 as a matter of policy, the Commission ought to encourage as a
24 matter of policy, the idea that utilities should contribute
25 to the support of local government entities which are trying

1 to plan for emergencies around the --

2 COMMISSIONER AHEARNE: Could you just say a couple
3 words about why \$500,000, why not a million, why not 250,000?

4 MR. RYAN: We envision this as modest grants to
5 individuals, as Mr. Collins said, mostly the counties, sometimes
6 the townships, but mostly the local government agencies as
7 distinguished from states.

8 COMMISSIONER AHEARNE: Is there any underlying
9 factor X plants times Y dollars?

10 MR. RYAN: Not quite that simple. We think, for
11 instance, in the Indian Point situation, if we were able to
12 give say \$5000 to each of the three -- four surrounding
13 counties, we would be in a better position than otherwise.

14 COMMISSIONER AHEARNE: Yes, I'm sure of that. I
15 was just trying to probe for is there an argument that says
16 that the right rough number is a half a million as opposed
17 to twice that, or half of that?

18 MR. RYAN: We took the number of counties involved
19 and we figured modest sums for those countries.

20 COMMISSIONER AHEARNE: Number of counties times 5000?

21 MR. RYAN: No, not all counties are in dire situa-
22 tions. Some counties receive a great deal of money by virtue
23 of the fact that the facility is located there.

24 COMMISSIONER AHEARNE: Could you give me that piece
25 of paper? Thank you.

1 MR. RYAN: I think it's on the back of an envelope.

2 CHAIRMAN HENDRIE: Okay, this is a set-aside in the
3 '80 supplement.

4 MR. RYAN: Right.

5 CHAIRMAN HENDRIE: There is another chunk to it.
6 Could we cover that rapidly, please.

7 MR. RYAN: It's ARAC, atmospheric release advisory
8 capability. I will ask Mr. Collins to go into it.

9 MR. COLLINS: Currently the ARAC program which was
10 developed by Lawrence Livermore Laboratory, exists. It was
11 used, but not hard-wired into the accident situation at
12 Three Mile Island, but the Department of Energy's own facilities
13 are on the ARAC system..

14 What it is, it is a real time meteorological
15 accident assessment. I think you are all familiar with it.

16 COMMISSIONER GILINSKY: This is hooked up to some
17 monster computer?

18 MR. COLLINS: A monster computer, and a nice little
19 one, right.

20 This fiscal year state programs in NRR, each put
21 \$50,000 into a feasibility study with Lawrence Livermore to do
22 two things:

23 From an NRR standpoint, to take a look at the
24 utility of the system from a licensee's viewpoint. They use
25 the Rancho Seco Nuclear Station. For state program's interest,

1 \$50,000 to take a look at the utility of ARAC with respect
2 to the California Office of Emergency Services.

3 We expect that those reports from Lawrence
4 Livermore will be to us in the fall. We already have the
5 draft report that covers the licensee half and state and local
6 government half will come along in a couple of months.

7 Based on the findings of that modestly funded
8 study concept of tying in licensee, state and local government
9 to the ARAC system, you would like to keep this ARAC concept
10 alive, because right now there isn't anything better in terms
11 of automatic accident assessment, that we know of.

12 There are systems which are being talked about,
13 which are being independently explored by a few utilities,
14 but there isn't anything that's put together right now.

15 We'd like to move forward in succeeding years into
16 possibly getting ARAC installed in the county areas around
17 Indian Point, where we feel that more definitive emergency
18 planning has to be done for those communities, because of
19 their population and density situation.

20 We think this can be done, you know, for a site
21 like that, and maybe one other, for about \$300,000 or \$400,000
22 over a three or four-year period.

23 We'd like to see if we can't get something like
24 that in place.

25 The other site we have in mind is Zion.

1 CHAIRMAN HENDRIE: Well, I think the thrust is
2 clear enough that this is 100-K, which is also an '80
3 supplement set-aside.

4 MR. RYAN: And that's also 100-K in '81 through '83.

5 COMMISSIONER GILINSKY: Is anyone looking at any
6 alternative systems that would have, you know, independent
7 capabilities if the reactor is based on rather more limited
8 computers?

9 MR. BARRY: We might ask NRR that, because they
10 also invested in this; in fact, they are the guys who got into
11 it first, and there is money in the budget, in NRR, for this
12 project. You might find out. We know the project guy. We
13 might ask him that question.

14 MR. RYAN: I don't know of any systems.

15 COMMISSIONER GILINSKY: I must say that my inclina-
16 tion is that the simpler system based on reactors is preferable.

17 CHAIRMAN HENDRIE: That's an argument that I was
18 making, I don't know, last year or the year before. I guess
19 I have considerably less problem with these rather modest
20 expenditures which keep us in good touch with the system and
21 where it is going and what its capabilities are, and look for
22 ways to make use. We feel here we are committed to embrace
23 ARAC, merely to keep track of it and see what else there is
24 around.

25 COMMISSIONER AHEARNE: This had been jointly funded

1 with NRR; is that correct?

2 MR. RYAN: For this fiscal year.

3 COMMISSIONER AHEARNE: Is this new phase that you
4 are talking about still going to be coordinated with NRR?

5 MR. RYAN: It's going to be coordinated, but my
6 understanding is that NRR has not budgeted for a continuation
7 of ARAC. I don't know.

8 CHAIRMAN HENDRIE: So you put the 100-K in so it
9 will -- it would, if allowed, be your money, but you would
10 coordinate?

11 MR. RYAN: We will not coordinate it, they can have
12 it if they want it. It's not a pride of ownership.

13 MR. BARRY: No, but they have an application, they
14 are looking at it from strictly a plant standpoint.

15 CHAIRMAN HENDRIE: Let's see if we can move ahead
16 and finish it.

17 MR. RYAN: Thank you.

18 CHAIRMAN HENDRIE: Does that do it?

19 MR. RYAN: That does it.

20 COMMISSIONER AHEARNE: Let me ask a question, then.

21 The assumption you have, if eight people asked for the
22 supplemental for the, evaluated from state emergency plan,
23 is that based on the assumption that we will continue this
24 pressure that we have already placed on the governors?

25 MR. RYAN: Yes, I think the figure comes from a

1 memorandum which I wrote to Mr. Gossick back in April.

2 COMMISSIONER AHEARNE: Because my question is if
3 as a result of the rulemaking or as a result of Congressional
4 action, we end up making mandatory the concurrence, what then
5 would be your number?

6 MR. RYAN: I think it would probably be slightly
7 more, but I think that would suffice for the period.

8 COMMISSIONER AHEARNE: How about '81?

9 MR. RYAN: Probably three or four additional.

10 COMMISSIONER AHEARNE: Could you just think about
11 that and get back to us?

12 MR. RYAN: I'd be happy to.

13 I might say that it looks like we are going to go
14 the mandatory route if the Senate bill is enacted.

15 COMMISSIONER AHEARNE: And also consider -- I am
16 surprised that you had no program support monies in that
17 area.

18 MR. RYAN: We did, in a sense. Those were reported
19 by the Senate environment for public works within their authoriza-
20 tion bill. They mentioned program support for iodine
21 monitoring.

22 COMMISSIONER AHEARNE: I'm looking at your budget
23 request, though, because as I think we are all familiar, if the
24 authorization committee says you can spend money, and the
25 appropriations committee does not give it to you, then it's a

1 reallocation within the agency, and so we ought to be looking
2 at what ought you to be requesting.

3 CHAIRMAN HENDRIE: You know, the current -- let's
4 see, what is the current office request? 42 in people?

5 MR. RYAN: For '81, 42.

6 CHAIRMAN HENDRIE: And the difference of five from
7 the EDO mark are the three in the agreement states. Where
8 are the other two?

9 COMMISSIONER AHEARNE: Two in --

10 MR. RYAN: Well, one of them was the state liaison
11 officer, I guess.

12 Marie, can you help me on that?

13 COMMISSIONER AHEARNE: Three clerical and two in
14 uranium mill tailings.

15 MR. RYAN: Why is that 42 versus 37? Where is the
16 other five?

17 CHAIRMAN HENDRIE: Say it again for me. Are they
18 all in the agreement states area?

19 COMMISSIONER AHEARNE: Well, three are clerical
20 assistants for the state program staff.

21 MR. RYAN: Right. They would be divided among
22 emergency preparedness and program development.

23 CHAIRMAN HENDRIE: Very good. Thank you, gentlemen.

24 Before we break, I'd like to hear a few words from

25 Ed Tucker on that Title IV and VI six. You want to come on up,

1 Ed.

2 Let's see, there's a difference of 12 there, and we
3 have a paper coming along which will apparently recommend
4 that the overview of the Title IV and VI provisions --
5 your view was that that was -- didn't cover everything --
6 might not cover everything you thought important.

7 Why don't you give us a 30-second shot of your view?

8 MR. TUCKER: When we started, we had provisions,
9 we had Title VI of the Civil Rights Act to enforce, which
10 is federal financial assistance programs, against discrimination.

11 We also had Title IV of the organization act
12 which prohibits sex discrimination in federally assisted programs
13 and all Commission licensing activities.

14 Now we have the Age Discrimination Act of 1975, which
15 was effective July 1, which is tied to Title VI also.

16 The issue problem with the Title IV situation is
17 that there was an initial determination made at the time of
18 the reorganization as to where or how that should be applied
19 in the Commission regulations.

20 Then Part 2.111, which prohibits this Commission --
21 which prohibits licensees from discriminating in their
22 employment practices, and since it is in Part 19, the sanctions
23 are the civil penalties, or revocation of the license.

24 COMMISSIONER AHEARNE: But the civil penalties are
25 available?

1 MR. TUCKER: Well, the problem is we have never
2 developed an enforcement mechanism. I've brought this to
3 the Commission's attention in the spring of '75. Determination
4 was made by OGC for some reason that we did not have the
5 statutory authority to deal with employment practices, so
6 nothing has happened with it in four years.

7 Now the Department of Justice is saying that we
8 have to develop the enforcement mechanisms, post notices in all
9 the licensees' facilities, address the prohibition in the
10 Federal Register.

11 Now we are trying to figure out how to enforce it.
12 I think that even though determination is made initially
13 with the Commission as to how we interpret, I think that this
14 was something that was discretionary, back in '74, maybe in
15 '75, but four years later I don't think the Commission really
16 has that much latitude in terms of determining just how it
17 should be applied to the Commission regulations.

18 So even though we develop an enforcement mechanism,
19 we still have these basic statutory requirements that we
20 have never addressed, which we have to address, and that's
21 the reason why I say the minimum we need is one person now
22 to come to grips with the Title VI, Title IV and age
23 discrimination act provisions, and based on what the Commission
24 decided to do in terms of enforcement, this might very well
25 entail four, five, six or seven more people, in terms of not

1 really -- I don't look at it as really policing the licensees,
2 I look at it as providing assistance to the licensees,
3 especially our major licensees, to help them to comply with the
4 regulations.

5 I think it is incumbent upon the Commission to
6 provide that kind of technical assistance to them. That's
7 the reason why I feel that it is not necessarily policing,
8 but assistance to them, and why we need so many people, six
9 more people, at least, to deal with it.

10 COMMISSIONER AHEARNE: Is the six based upon any
11 kind of factors or how many licensees, the effort per licensee?

12 MR. TUCKER: Well, it depends on to what extent
13 the Commission wants to enforce. I would assume that you would
14 not attempt to enforce it or provide assistance to all
15 licensees, but just the major licensees. We don't have the
16 capability now to develop complaints of discrimination. We've
17 had one sex discrimination complaint to date. As soon as we
18 publish in the Federal Register and we post the notices, we
19 are going to get more activity. Depending upon the level of
20 activity, there's no telling how many people we will need
21 to coordinate these activities.

22 COMMISSIONER AHEARNE: Would you see us or EEOC
23 doing the actual investigation?

24 MR. TUCKER: I see EEOC do the investigation.
25 There's still going to have to be some with the licensee after

1 the determination by EEOC that there is reasonable cause.

2 So all of these kinds of things.

3 COMMISSIONER AHEARNE: In addition, you had
4 recommended some other people, which I guess the BRG said
5 wait for the EEO study. If the EEO study indicates more
6 people are needed, I guess. How would we then manage '81?
7 Would we attempt to shift people?

8 MR. GOSSICK: That's about the only way we could
9 do it.

10 COMMISSIONER AHEARNE: I think you have one or two
11 options. You either say, well, we will assume that the study
12 results could be incorporated by shifting people, or you are
13 saying that if the study results in people, you put them in
14 the budget, or if it doesn't, you take them out.

15 MR. TUCKER: I think the study will really address
16 people in the office of EEO. It will be dealing with the issues,
17 and if it impacts on anybody, it will be personnel that
18 will need additional people, possibly, say for recruiting
19 efforts and that kind of thing.

20 I think the understanding with EEOC was mentioned
21 that impacts primarily on OIA, that leaves them the burden
22 of investigating. But it certainly doesn't relieve the EEO
23 office of keeping track of the activities and being the
24 contact here within the agency for EEOC.

25 The problem is that people will look at the office

1 of EEO as an EEO office, and it is not an EEO office, it is
2 a Civil Rights office, because most agencies had EEO offices
3 dealing with internal EEO matters. But we are dealing with
4 all civil rights matters of the agency.

5 So just about half of our activities are just
6 generally civil rights. One is the White House Task Force,
7 the Justice Department, or Federal Contract Program, or what-
8 not.

9 So it certainly can't be confined just to EEO
10 matters.

11 MR. BARRY: Well, when we made our evaluation, it
12 wasn't solely on -- it was trying to define what the case work
13 was going to be, and it appeared that the case work was
14 going to be about 40 cases per year, and an additional six
15 people on top of the five seemed rather excessive to us for
16 that type of case work, even though some of them can be quite
17 complex, but recognizing as they were today that the auditor
18 and inspector does a lot of the actual processing.

19 CHAIRMAN HENDRIE: I want to break now.

20 Let me ask the Commissioners, would your schedules
21 allow a 1:30 start?

22 Vic will be back at 2:00 or a little after. He
23 has an appointment that will keep him that long, but he is
24 perfectly willing for us to go ahead with the discussion
25 with the Office of Administration.

1 What I'd like to do is come at 1:30 and kick off
2 with the Admin people, if they are here, and we will have to
3 send them out for lunch. They are out to lunch now. I'd
4 like to try to get them today, rather than sending them back
5 to Bethesda and hauling them back down another day.

6 So, 1:30, please, Office of Administration.

7 Okay.

8 [Whereupon, at 12:45 p.m., the hearing was
9 recessed, to be reconvened at 1:30 p.m., this same day.]

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kap 1 AFTERNOON SESSION

HOFFMAN 2 (1:45 p.m.)

3 CHAIRMAN HENDRIE: Why don't we kick off?

4 (Slide.)

5 MR. DONOGHUE: For those of you who may wonder,
6 this is a couple of things that we're involved in, which you
7 can see are numerous, complicated and disparate.

8 Next slide, please.

9 (Slide.)

10 COMMISSIONER AHEARNE: My way of looking at it,
11 although it may not be glamorous, is they don't work the
12 agency falls apart.

13 CHAIRMAN HENDRIE: They aren't only disparate,
14 they're occasionally desperate.

15 Onward.

16 MR. DONOGHUE: Okay. We have five decision units
17 in the office of Admin. and Budgets, Personnel One, which
18 was put in for the first time this year which is the
19 conversion of temporary personnel, which is a set-aside,
20 which I will address later on. Administrative Support,
21 which is primarily the procurement of goods and services to
22 enable the Agency to function, and which I'll be addressing
23 specifically.

24 (Commissioner Bradford entered the room at 1:46.)

25 MR. DONOGHUE: Agency Travel, which includes

kap 1 travel for the Office of Administration and also travel for
2 interviews and change of stations for the Agency.

3 Next slide, please.

4 (Slide.)

5 MR. DONOGHUE: This is sort of an overall view of
6 the decision units. The decision units which shows that in
7 '81 we're getting an increase of 22 people recommended by
8 the EDO. The increase is proposed for each of the units.

9 COMMISSIONER AHEARNE: Is the FY '80 number of 284
10 what you'll end up having after the final markup in
11 Congress?

12 MR. DONOGHUE: It's really --

13 MR. BARRY: You'll lose four.

14 MR. DONOGHUE: I'll lose four, unless I get
15 restored to five positions that Mr. Gossick referred to
16 earlier, this had been transferred on a loan basis to NRR,
17 which was a transfer predicated on the fact that the
18 Commission had not acted on what they would do with respect
19 to classification of safeguards.

20 Now that the Commission has acted, and now that
21 the rule setting up the classification programs are in
22 effect, in order for us to handle the clearances and the
23 relationships with the licensees dealing with classified
24 information, we will require the five positions to be
25 restored.

kap 1 (Commissioner Gilinsky entered the room at 1:47.)

2 CHAIRMAN HENDRIE: Are you going to be able to get

3 them back? I assume you are, since NRR seems to have --

4 MR. GOSSICK: They're not, you know, happy about

5 it.

6 CHAIRMAN HENDRIE: They're working on 100 right

7 now. So --

8 COMMISSIONER AHEARNE: I think NRR's view was it

9 would be working on 15.

10 MR. GOSSICK: They've got a new ceiling now, of

11 100.

12 COMMISSIONER AHEARNE: Yes, I understand, but they

13 had thought they were going to go up 85.

14 MR. GOSSICK: Oh, yeah. That was before TMI.

15 CHAIRMAN HENDRIE: Nevertheless, we've established

16 a classification system. We are now in conformance with the

17 executive order, and if we don't do that, why, we will be

18 explaining --

19 COMMISSIONER AHEARNE: It would be something like

20 280.

21 MR. DONOGHUE: That's right, full-time

22 departments.

23 (Commissioner Gilinsky left the room at 1:48.)

24 CHAIRMAN HENDRIE: So it's really 280 that is the

25 base we're working from, rather than 284. Okay.

kap 1 MR. DONOGHUE: Next slide, please.

2 (Slide.)

3 CHAIRMAN HENDRIE: And the 326, would be 306.

4 MR. DONOGHUE: 326 was our office request. 306
5 was the BRG and EDO mark.

6 CHAIRMAN HENDRIE: All right.

7 MR. DONOGHUE: This chart shows the breakdown by
8 divisions and branches within Admin. The current staffing
9 levels --

10 CHAIRMAN HENDRIE: Where would the four come out?

11 MR. DONOGHUE: Two would come from Contracts and
12 two from Facilities and Operations, primarily telephone
13 operators.

14 CHAIRMAN HENDRIE: So those become 56 and 31.

15 And the total 280, in that column FY '80.

16 MR. DONOGHUE: FY '80 staffing, right. The next
17 chart describes how the increment of 22, where they would go
18 and the functions they would perform.

19 (Slide.)

20 MR. DONOGHUE: There's an increase of one for
21 telephone operators. Now this budget was put to bed --

22 COMMISSIONER AHEARNE: This 22, I assume that the
23 four you lost would just be added in.

24 MR. DONOGHUE: It should be added in, right,
25 because this was a cut after the budget was prepared.

kap 1 COMMISSIONER AHEARNE: Two would go back into
2 Facilities for the telephone.

3 MR. DONOGHUE: For the telephone operators, right.

4 CHAIRMAN HENDRIE: So it's 62 then, in Facilities
5 and 47 in Contracts.

6 MR. DONOGHUE: Correct.

7 CHAIRMAN HENDRIE: Plus four in the facilities.

8 MR. DONOGHUE: In the '81 column.

9 COMMISSIONER AHEARNE: '81 would be 60, and 45,
10 but the delta would be increased.

11 CHAIRMAN HENDRIE: Oh, I see how you're going to
12 work that. Okay. Thank you.

13 MR. DONOGHUE: The telephone operators were
14 approved last year on the basis that we were having a
15 continuing turnover with operators and they are really the
16 key to the Agency's communications hub, and in order to
17 assure continuity it was necessary to have permanent people
18 in that position.

19 The increase of one this year is based on the
20 workload the operators are assuming, and also particularly
21 during off-duty hours and Saturdays, there's one operator.
22 She is not only involved with the telephone. She also has
23 to run the FAX, the teletypes. There's a need at times, I
24 think a current need, that we should have more than one
25 operator on this long shifts.

kap

1 The other position is really for a communications
2 coordinator who would be responsible for the development and
3 engineering of these additional communications systems such
4 as the reactor communications system that was set up as a
5 result of Three Mile Island. Plans to include a much more
6 sophisticated communication between the headquarters, the
7 regions and the licensee facilities are going to require a
8 level of sophistication that we do not currently have.

9 (Commissioner Gilinsky entered the room at 1:50.)

10 COMMISSIONER AHEARNE: Why would that be in your
11 operation as opposed to I&E or NRR?

12 MR. DONOGHUE: Well, the communications aspect of
13 it, we're responsible for it on an agency-wide basis.

14 COMMISSIONER AHEARNE: What about the engineering?

15 MR. DONOGHUE: Even the engineering. They have no
16 confidence in communications engineering, and we are
17 responsible for assuring the communications linkup. Bart
18 Kerr was responsible for putting together the engineering
19 package and dealing with AT&T on it. I don't think either
20 I&E or certainly NRR has no interest in that aspect of it.
21 They set the requirements for us, but they would expect us
22 to assure that these are available.

23 In ADP, we've asked for an increase of two. The
24 growth of ADP activities in the Agency, which is evidenced
25 by the high dollar increases, the number of applications

kap 1 that are now being utilized requiring us to really assure
2 that there's much more centralized direction. An inspector
3 and auditor in the draft report that the Commission has not
4 seen yet, but it's critical of the dispersion of ADP
5 functions, a lack of overview on ADP procurements.

6 They seem to think that these additional
7 positions, we can do more to assure that there's a coherent
8 ADP long-range plan which will be factored into this
9 information management technology plan, which will cover ADP
10 communications and word processing as a basic fundamental
11 which is the way the government is approaching the
12 interrelationships between these functions are becoming so
13 significant that they can't look at on stand alone systems
14 any longer.

15 COMMISSIONER GILINSKY: Do they then have a
16 specific assignment?

17 MR. DONOGHUE: In ADP?

18 COMMISSIONER GILINSKY: These two?

19 MR. DONOGHUE: They will be in there to provide
20 additional capability to reivew procurements to develop the
21 planning necessary for the Agency, yes. They would have
22 specific assignments.

23 COMMISSIONER GILINSKY: Does that mean all
24 procurements go through this office?

25 MR. DONOGHUE: That's one of the problems. All

kap 1 procurements have not gone through that office, but all
2 procurements should go through that office to assure
3 compatibility with the agency plan, with the other agency.

4 COMMISSIONER GILINSKY: Is that our policy now?

5 MR. DONOGHUE: It's been our policy, but it's been
6 observed, I would say, in many cases, more in the failure to
7 do that. I've instructed the Division of Contracts and the
8 Division of Personnel that there is to be no ADP
9 procurements without the concurrence of the Office of ADP
10 and no personnel brought on board who are ADP types without
11 the concurrence to minimize and take away this proliferation
12 of ADP activities that are springing up all over the place.

13 COMMISSIONER GILINSKY: What does ADP procurement
14 mean? Does that mean hardware or does it go beyond that?

15 MR. DONOGHUE: And software, and the ADP system.
16 Now, I think management MPA, Norm Power's shop is
17 responsible for the management information systems, but in
18 the development of the systems, but the software procurement
19 would be with the concurrence of Charlie Travers.

20 COMMISSIONER GILINSKY: Is there some piece of
21 paper that lays this out?

22 MR. DONOGHUE: As the result of a task force that
23 looked at ADP several years ago, there was a division of
24 responsibility that Lee made between ADP --

25 COMMISSIONER GILINSKY: Whatever our current

kap 1 policy is, do you lay it out somewhere?

2 MR. DONOGHUE: It should be laid out more
3 specifically in the manual chapter on the division of ADP,
4 which has not yet been --

5 COMMISSIONER GILINSKY: Could you send me a copy
6 of that?

7 MR. DONOGHUE: Sure. Contracts, we're asking for
8 12 more people, which reflects the growth in the contracting
9 area, the increasing competitive procurements which are
10 going from roughly 100 now, we anticipated there'll be 200
11 by FY '81. This is partly because a number of the offices,
12 particularly NMSS and Research now is moving in that
13 direction, away from paying a great number of their program
14 support through the laboratories.

15 We're also going to start treating as a result of
16 criticism from GAO, university procurements, which have been
17 handled in the past on a sole source selection basis, based
18 on unsolicited proposals. We're going to look a lot more
19 closely at those, and probably require in many cases that
20 they be competed for before the universities are awarded.

21 COMMISSIONER GILINSKY: Could I just take you back
22 to the other item? You say we basically are continuing the
23 policy we had before, but it was observed more in the breach
24 than otherwise.

25 MR. DONOGHUE: Right.

kap

1 COMMISSIONER GILINSKY: What are we putting in
2 place to make sure that in fact it will be observed now?

3 MR. DONOGHUE: We're going to have to insist that
4 all these things come through that division, and I must say,
5 it's not entirely because of the offices.

6 In some cases probably they have felt they're not
7 yet receptive reactions, so they start end running it, in
8 many cases. Also, we have not aggressively tried to force
9 the issue.

10 COMMISSIONER GILINSKY: Are you doing that now?

11 MR. DONOGHUE: Yes.

12 COMMISSIONER GILINSKY: Is there a memorandum out?

13 MR. DONOGHUE: OIA, the report would indicate that
14 we haven't done as good as we should be doing, that's the
15 problem.

16 COMMISSIONER GILINSKY: Are you then going to send
17 out instructions?

18 MR. DONOGHUE: Yes. We sent them once. They're
19 obviously not being followed, and many times we don't find
20 out about the situation until it's already a fait accompli.

21 For one thing, I've done those, I tried to cut it
22 off at the two places where they can likely get away with
23 something, which is in the division of Contracts for outside
24 procurements and also the division of Personnel for the
25 hiring of programmers. But, we haven't done it, I must say

kap

1 in all fairness, we haven't done a very good job ourselves
2 in defining a plan that clearly lays out what the roles and
3 responsibilities have been.

4 And we have not done enough in insisting in those
5 cases where they have failed to go through us, that we take
6 some kind of action.

7 COMMISSIONER GILINSKY: Are we going to develop a
8 plan now?

9 MR. DONOGHUE: We've been trying to develop an ADP
10 plan for the last two years. We haven't gotten one, it's
11 being folded in now into this overall plan, this information
12 management technology plan.

13 COMMISSIONER GILINSKY: I guess I'm still not
14 clear whether specific instructions have gone out to
15 everyone to follow what I understand is our policy on ADP.
16 Is it being monitored in some way?

17 MR. GOSSICK: I've just recently become aware of
18 some people that have ignored it and we're going back along
19 with the other findings in the OIA report, and addressing a
20 lot of things that have to be more rigidly reinforced and
21 bucked up in the general performance of the ADP shop as well
22 as compliance by the other parts of the organization.

23 COMMISSIONER GILINSKY: Well, if you send out
24 general instructions, could I see a copy?

25 MR. DONOGHUE: All right.

kap 1 COMMISSIONER AHEARNE: Could I ask just a quick
2 question on this competitive procurement from the
3 universities? Could you explain more about why we're going
4 competitive?

5 MR. DONOGHUE: Maybe I'd like to have Ed Holman,
6 if you wouldn't mind, explain that.

7 COMMISSIONER AHEARNE: Ed, the question is the
8 concept of competitive procurement from the universities.

9 MR. HOLMAN: Yes, sir.

10 COMMISSIONER AHEARNE: At least to me, initially
11 that sounds like not the kind of thing I would ordinarily
12 think of going out for a competitive contract. I'd like to
13 know why this is the wrong picture.

14 Ordinarily I'd think you'd go to universities
15 because they have some talents that you're really going
16 for. Unique talents of individuals, or ideas, and it
17 doesn't initially at least seem to be the kind of thing that
18 you're competing, or should.

19 MR. HOLMAN: We intend to continue contracting
20 with universities when they submit specific ideas to us for
21 research or otherwise by way of our unsolicited proposal
22 mechanism so that our increase in competitive -- doesn't
23 preclude our continuing association with the universities.

24 What we've been criticized by the GAO for is using
25 this concept for universities as a good place to get ideas,

kap 1 to actually subvert the competitive procurement process.
2 What we've been doing is going to the universities as a
3 group and saying, We want you to do this kind of work, or we
4 make our projects known to universities through all sorts of
5 mechanisms and we get all sorts of unsolicited proposals.
6 GAO is saying that in most of those cases where I looked at
7 our unsolicited proposals, they didn't stand the tests set
8 out in the federal procurement regulations for acceptance on
9 a non-competitive basis.

10 So that's what we're going to be scrutinizing.

11 COMMISSIONER AHEARNE: Did we agree with that?

12 MR. HOLMAN: We didn't take exception to that
13 conclusion from the GAO report. The other thing that was
14 pointed out by Senator Hart's committee when they came in
15 and looked at our whole posture insofar as competition, was
16 that our basic competitive posture was 65 percent sole
17 source procurements, 35 percent competitive ones.

18 That's also been criticized by the GAO as they
19 looked at a number of other federal agencies and in some
20 offices in this agency we have about a 95 percent sole
21 source procurement ratio. That was based largely on the
22 fact that we did a lot of contracting with universities. So
23 we're looking at the total picture.

24 One area where it's extremely heavy is with the
25 universities and that's where we are looking at it. There

kap 1 is no real statutory or regulatory basis for us to just
2 except universities from the normal competitive
3 requirements, even though we think they're a source of
4 expertise.

5 If we have projects that they want to bring to us,
6 they can bring it to us in the unsolicited proposal
7 mechanisms, or they can themselves compete, and they do
8 compete in a lot of other federal agencies and even in this
9 agency through some offices. So we have a lot of contracts
10 with the universities as the result of competition, too.

11 COMMISSIONER AHEARNE: I guess I would hope that
12 we don't go too far in responding to the criticism of the
13 lack of competition with respect to university contracts,
14 particularly when at least some of the GAO studies that I
15 was familiar with in other agencies, those criticisms were
16 based upon a lack, really, of understanding of the kind of
17 thing that was being procured.

18 MR. HOLMAN: Well, of course you're right. We're
19 going to look at these things on a case-by-case basis in the
20 report but what we've done is, is we've gone way over this
21 way and what we're trying to do is get a little more balance
22 into the picture and that's what those numbers reflect.

23 CHAIRMAN HENDRIE: Also, I must say I'm not very
24 upset by percentage numbers, sole source versus competition,
25 because based on the overall agencies' not tracking in other

kap 1 methods of getting people to work for us, we started out
2 with enormous bias. Suppose you decide to do the '81 LOFT
3 programs, and decide to bid competitively to cover that \$48
4 million -- sorry, there's \$48 million in sole source, no
5 question of that.

6 I dare say, let's see, what did we put out in the
7 course of a year? Probably something in fiscal '80 of the
8 order of 200 and what -- \$20 or \$50 million goes out of the
9 agency?

10 MR. DONOGHUE: Including the laboratories, yes.

11 CHAIRMAN HENDRIE: Including the laboratories, you
12 just know that a large fraction of that is to special places
13 in facilities and so on. So you just know that it's going
14 to be sole source. Now, I think the one place that the GAO
15 had a legitimate grab at us was in, I guess, number of those
16 circumstances we haven't been as careful as we should be, to
17 have the papers of the action reflect that the special
18 circumstances, you know, sort of make the case in the
19 record that the sole source was appropriate in the
20 circumstance.

21 Clearly, we're going to have to do better on that.

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1 MR. HOLMAN: I might just add to your point, though,
2 that those statistics that I just related did not include the
3 work that we perform in the national labs. So, if you include
4 those, then, of course, the numbers would be a lot different.
5 So that our emphasis here in our '81 budget will not at all
6 reflect on that relationship.

7 CHAIRMAN HENDRIE: Other comment?

8 Yes, go ahead, Peter.

9 COMMISSIONER BRADFORD: On the first couple of items
10 there, to what extent are improvements in the response center
11 capability reflected?

12 MR. DONOGHUE: Well, the communications coordinator
13 that will free up more time from just about one communications
14 engineer now to work on. This will tie into the response center
15 because that's where these regional and reactor lines will termi-
16 nate. Both voice and FAX and teletype. But it's not designed
17 solely for that purpose, although that is where we improve our
18 overall communications.

19 MR. GOSSICK: This is not for staffing the center at
20 all. That's purely I&E.

21 COMMISSIONER BRADFORD: And does this get you where
22 you want to be in terms of response center capabilities?

23 MR. GOSSICK: Not necessarily. We're studying other
24 things like, you know, tying into their event computer or what-
25 ever else, in the way of readout. Part of the engineering for,

1 you know, those kinds of things --

2 MR. DONOGHUE: This would give us the capability to
3 assist them in the engineering and in the procurement of the
4 engineering services necessary to do that.

5 COMMISSIONER BRADFORD: I see. But this is basically
6 backup to that effort, and not the effort itself.

7 MR. DONOGHUE: Right.

8 COMMISSIONER AHEARNE: It's also engineering.

9 MR. GOSSICK: It's the engineering. They would be
10 involved in the study of alternatives. I&E will probably come
11 in with NRR, together with a series of alternatives, each of
12 which will have to be looked at by Dan's people from the stand-
13 point of what would it cost and so forth.

14 CHAIRMAN HENDRIE: The contracts delta is really 14;
15 right?

16 MR. DONOGHUE: Yes, sir.

17 CHAIRMAN HENDRIE: It's the 12 listed here, plus two
18 that were --

19 MR. DONOGHUE: As you recall, also, in the FY '80
20 authorization, Senate authorization bill, there is a provision
21 for eight for contracts, too. In personnel, we're asking for
22 two more. One is for a personnel management specialist who
23 handles the personnel relationships with the offices, based on
24 increased workload, and we've been short-staffed in that area
25 and have been for the last, I would say, almost two years. And

1 another person to work on the Civil Service Reform Act. It's in
2 its embryonic stages, particularly if you get below the SES
3 where they have concentrated most of their attention because it
4 came into effect more immediately.

5 But there are a number of revisions, some of which we
6 may or may not be bound by. We need to take a look on that as
7 to what extent our own personnel system should be consistent
8 with the system under OPM.

9 The SES itself is putting a tremendous workload on the
10 agencies and will continue to do so over the next several years
11 until it shakes down. And it's a very confusing area. The
12 instructions, to put it mildly, are fluid, that come out of OPM.
13 But the obligations, many of which are mandated by statute, are
14 still on us to have in place certain things such as performance
15 appraisals, systems for bonuses, and executive resources boards
16 and all the rest. There will be no letup for several years.

17 In Rules and Records, we've asked for an increase of
18 three for the increased workload associated with the local public
19 document rooms and growing number of documents. As you know,
20 there are about 154 reactor document rooms and about 12 fuel
21 cycle facility document rooms. This is an outgrowth of the
22 report that we made to the Commission on the position that we
23 ought to take with respect to LPDRs, and if want to make them
24 really meaningful resources to the public on a local basis, we've
25 got to do a lot more. We're addressing some of the questions

1 that were recently raised, but it does increase the workload.
2 It's going to require more trips to the local PDRs. It's going
3 to be a much more interactive interface than we've had in the
4 past, which has been in many cases, although it's improved sig-
5 nificantly over the past two years. I just received a letter
6 the other day from the mayor of I think it was Austin, Texas,
7 which was highly complimentary of Joan Satter, who handles the
8 PDRs, for her courteous handling of their city's request to make
9 available arrangement of space and working with the library in
10 Austin.

11 So, in many respects, I think it's certainly doing a
12 significant job for the Commission in improving our public pos-
13 ture in the areas in which our licensed facilities are located.
14 I think it's certainly worth the effort to enhance that. But
15 like everything else, it costs people.

16 There is also a set-aside in Rules and Records of
17 three people. This is to establish a centralized writing-editing
18 group to rewrite and write our regulations in plain English.

19 We reported there was a task force that Mr. Gossick
20 convened several months ago which looked at the situation and
21 drafted the FOIA regulation in plain English, which was issued
22 for comment in advance of publication, an advance notice type.
23 We're in the process of assimilating the comments now coming back
24 to the Commission with specific recommendations.

25 But I might say the comments are entirely favorable.

1 We've had 30 commenters who responded. Some replied this is the
2 first time they ever had a regulation emanating from the Com-
3 mission that they could read without the assistance of a Phila-
4 delphia lawyer, or that it was the first time they could under-
5 stand from just reading it once.

6 There were a number of suggestions on where other
7 changes ought to be made in terms of rewriting the regulations.
8 We probably wouldn't propose that everything be rewritten.

9 COMMISSIONER AHEARNE: In plain English.

10 MR. DONOGHUE: In plain English.

11 (Laughter.)

12 MR. DONOGHUE: But we felt if we're going to actually
13 initiate this effort we ought to get people in the budget. The
14 number of people are consistent with the evaluation that the
15 task force included, which was three.

16 COMMISSIONER GILINSKY: Now, what are they going to
17 address? Are they going to redo the CFRs?

18 MR. DONOGHUE: What they will do is they are involved
19 in the formulation and the writing of regulations from its
20 inception.

21 COMMISSIONER GILINSKY: You're talking about future
22 regulations.

23 MR. DONOGHUE: Well, future. But we're looking selec-
24 tively at what regulations ought to be dealt with right now.

25 There is a great deal of concern -- I think Tom and the lawyers

1 and others have -- that some of these regulations which may be
2 written in fairly arcane language have nevertheless -- the words
3 have reached sort of a state of art, they have an art form in
4 themselves and that to tamper with the words could create prob-
5 lems.

6 COMMISSIONER AHEARNE: I was wondering whether Tom in
7 his role with the BRG in this and the set-asides, whether he was
8 acting on behalf of the BRG or EOD.

9 MR. ENGLEHARDT: I was going to respond to supplement
10 what Dan had to say about that aspect of it. Some of those regu-
11 lations are designed for the licensees primarily. It gives them
12 guidance. And to put them into a different format could create
13 more problems, at least as we see it now, than might be worth it
14 at first blush. So that the concentration on effort in this
15 exercise would be on those regulations that have more applica-
16 bility to the general public and what the general public would
17 be more likely to be affected or read, than some of the others.

18 COMMISSIONER AHEARNE: I was really very sorry if I
19 finally understood what you're asking. I had thought that it
20 was going to be from now on all of the papers were going to be
21 in plain English. Because we have some very highly paid editorial
22 writers up here who work on the papers when they're sent up, and
23 I thought maybe --

24 MR. DONOGHUE: The last position is for the Division
25 of Security, which is primarily to handle the growing number --

1 it says "internal security." We're really talking about intelli-
2 gence community documents, and this is primarily for the Com-
3 missioners' benefit. To some extent, OIA, but the numbers have
4 grown on us. Compartmented information. We've got over about
5 400 more documents in '79 than we had in '78. They're continu-
6 ing to grow, and because of the security requirements imposed
7 by the community, it's a man-eater. And at sacrifice to other
8 things in the Division of Security, in order to keep the Com-
9 missioners' needs and desires in this area fulfilled, it's con-
10 tinuing to hurt us and will continue.

11 If we're going to be involved to this extent, we ought
12 to recognize it by providing resources in the future.

13 The principal set-aside involving people, of course,
14 is the conversion to temporary personnel --

15 (Slide.)

16 -- In which we show 156 people that fall into the
17 category or position. I will illustrate a little further where
18 some of those positions are and what kind of people there are.

19 I do want to make a correction based on a discussion
20 I had with Ray Fraley. We show 10 of these temporaries as being
21 the ACRS fellows who are on temporary appointment. ACRS does
22 not want to convert them to permanent position.

23 COMMISSIONER AHEARNE: So you're going to drop them?

24 MR. DONOGHUE: This drops to 146. I don't think any
25 of the Commissioners certainly are well aware of this problem,

1 which was a result of the way the pot was divvied up at the time
2 the AEC went out of business and NRC and ERDA were created. The
3 NRC, the positions on the licensing or regulatory side were
4 primarily professional or technical positions, and there were a
5 very limited number of support positions at that time. But
6 they were provided through the Germantown general manager's side.

7 In the supplemental bill that went in that year, which
8 was designed to make us hold for the lack of resources that
9 were provided to us, we got something like 50 fewer than we
10 requested, and we have never recovered from that.

11 The Commission has over several years made note of this
12 fact in the letter to the OMB, and one year even suggested some
13 kind of an incremental conversion process. Every year in the
14 hearings before OMB I have raised the questions again and again,
15 and it's greeted sympathetically, but it's not greeted with any
16 obvious inclination to do a hell of a lot about it.

17 I think there is a number of things. It's interesting
18 to note that there are still 11 people who were temporaries at
19 the time we came into being that are still temporaries, and of
20 these temporaries that we have, over a hundred have been with us
21 over a year. So, from a management standpoint, it's a difficult
22 problem.

23 COMMISSIONER AHEARNE: Why don't you just mention, Dan,
24 what it is, if they are temporary, they don't have?

25 MR. DONOGHUE: I was going to mention that, was the

1 inequity of the thing. They do not have health benefits, they
2 do not have retirement benefits,,they do not have life insurance
3 benefits. The only thing they have is social security. So, they
4 are denied all of the benefits that inure to a permanent employee,
5 although they are in a permanent position, and, for all practical
6 purposes, we could not function without them.

7 MR. GOSSICK: Dan, let me just mention one other fact
8 here. If you figure these people into our grade average, our
9 grade average becomes very respectable along with other agencies'.

10 MR. DONOGHUE: It drops us .35, at least.

11 COMMISSIONER AHEARNE: And we are, as far as the per-
12 centage of these go, we are very high, as far as agencies go.

13 MR. DONOGHUE: I was going to mention we've done a
14 survey of five agencies that are either regulatory or scientific
15 and technical. We are, by far, the greatest user of temporary
16 people and part-time jobs.

17 COMMISSIONER AHEARNE: Full-time jobs.

18 MR. DONOGHUE: Full-time jobs. I am sorry. Right. We
19 have the highest ratio when they review our clerical to profes-
20 sional in the permanent slot, because all of our clerical and
21 support activities are taken up through temporaries. Well, from
22 a budget standpoint, the effect is not significant immediately.
23 Now, from a government standpoint, there is a long-term obligation
24 in terms of retirement and other things. But these are things
25 these people have earned, and they've been productive employees

1 in many cases.

2 COMMISSIONER AHEARNE: It's a question of fundamental
3 equity.

4 MR. DONOGHUE: That's right.

5 (Slide.)

6 This chart here shows the kind of jobs that these peo-
7 ple are in at the agency and where they're spread within the
8 office of administration. I have by far the largest number --
9 almost three-quarters of them are in administration. They are
10 the kind of jobs that if you don't have them, you don't get them
11 done; I mean, like drivers and mail delivery. Many of them are
12 in those wage board-type jobs where they're not convertible. In
13 the secretarial area, many of those women are eventually able to
14 be converted to a permanent position. They have mobility. But
15 a warehouseman has very little mobility.

16 Next slide, please.

17 (Slide.)

18 This also shows where they're utilized in other offices.
19 Here again you can see predominantly in things such as
20 Len Barry's area and Documents, that just get a little assistance.
21 So, it's a significant problem. Every year has always been the
22 "wrong budget year" in which to do anything about it. But I
23 think that Mr. Ahearne has pointed out to me at one point if we
24 don't do something soon there is nobody going to be left over
25 there that's going to remember what happened.

1 COMMISSIONER AHEARNE: Yes.

2 MR. DONOGHUE: So, I would strongly urge that the
3 Commission would include this. I realize what this is going to
4 do in terms of a big bulge in the budget, but I think the com-
5 mitment has to be there, though, that if the 156 -- this wouldn't
6 even take --

7 COMMISSIONER AHEARNE: 146.

8 MR. DONOGHUE: 146. This would not take congressional
9 action; this is something that OMB could do.

10 So, this is not a congressional requirement. OMB can
11 set the ceiling.

12 MR. BARRY: But Congress put limits to it, so they
13 would have to lift that limit.

14 COMMISSIONER AHEARNE: At least, speaking for myself, I
15 was astonished when I came in and I found this situation. It's
16 just gross inequity, and I would like, when you go over to OMB,
17 I would like to go with you.

18 MR. DONOGHUE: I think it also needs to be argued --

19 COMMISSIONER AHEARNE: And if the Commission doesn't
20 support it, I will go myself, because having spent several years
21 trying to run the manpower side of the fence, I am just aston-
22 ished.

23 MR. DONOGHUE: Okay, next slide, please.

24 (Slide.)

25 This is our administrative support budget. In a number

1 of areas, the increases are primarily due to inflation. As the
2 comptroller of the BRG notes in one of their submissions to you,
3 it's ironic that the rate of inflation in other government
4 agencies is higher than the rate of inflation in the private
5 sector.

6 GSA is charging us 20 percent more for rent than they
7 did a year ago, for the same number of space. Card service has
8 gone up. So, it all depends on whose ox is being gored, I guess.

9 COMMISSIONER AHEARNE: You list under "transportation
10 of things" -- the movement of household goods from resident
11 inspectors as well as headquarters offices -- do you know how
12 much that is for the resident inspectors?

13 MR. DONOGHUE: Larry, do you know how much of that
14 group of household goods is resident inspectors?

15 MR. COOPER: About a third of it.

16 MR. DONOGHUE: In the ADP services area, where we show
17 an increase for FY '81, NRR has asked me to inform the Commission
18 that they would feel that they would be significantly impacted
19 by the reduction made by the BRG in terms of meeting their
20 programmatic requirements in FY '81 and beyond. Their concern
21 is that there are a number of codes that are coming into being
22 as the result of some research activities. The application of
23 these codes would be severely hampered. Part of the problem,
24 while that's very true, it's also that the cost of ADP services
25 at the labs and other places is going up.

1 Also, there has been an inclination to run a lot of
 2 our codes on prime time, or a certain amount of the work, which
 3 increases the cost by about three times.

4 COMMISSIONER AHEARNE: By "prime time," do you mean
 5 daytime?

6 MR. TROUTMAN: I think priority seems to be the problem, just
 7 to get 24-hour turnaround so you don't forget what you're trying
 8 to do. They've had to apply priority. Put it another way: If
 9 there's no computer time available at the place, the users are
 10 all bidding against each other to buy up that spare time. Sparse
 11 resource. I don't think it's that they're trying to run very
 12 long jobs during prime time.. Some of the short jobs in prime
 13 time, of course, they have to.

end#2

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gsh

1 MR. DONOGHUE: It's the initiator that they're using.

2 COMMISSIONER GILINSKY: Is it because they can't
3 get good service otherwise?

4 MR. DONOGHUE: That's their complaint, yeah.

5 Charlie, what's the difference normally between
6 prime time and, say, a normal turn-around in terms of a day
7 or an hour or six hours?

8 MR. TROUTMAN: Prime time usually means during working
9 hours, 8:00 to 5:00. And all places have ways to limit
10 utilization of big jobs, then.

11 But ordinarily, you expect your job turned around
12 in 24 hours, and if it doesn't come back, you start getting
13 frantic because you know now that you're running in a place
14 that can't clean up their workload, and tending to a Q that
15 will go to infinity.

16 So the users end up competing against each other
17 by bidding as a priority, and they'll pay \$2000 or
18 \$4000 an hour.

19 COMMISSIONER GILINSKY: To get 24-hour service?

20 MR. TROUTMAN: Yes.

21 MR. BARRY: And that's what we were doing.

22 MR. TROUTMAN: When we dialed up collect to Idaho
23 National Engineering Laboratory a couple of times this year
24 to get out last night's print-outs, they came on with a
25 little message. P-1 and P-2 jobs will not turn around in

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gsh 1 24 hours. You've got to use P-3.

2 COMMISSIONER AHEARNE: If it doesn't turn around in
3 24, does that mean it slips to 36?

4 MR. TROUTMAN: It could slip indefinitely. That's the
5 point.

6 COMMISSIONER AHEARNE: I bet it could.

7 MR. TROUTMAN: They said two weeks for some. Basically,
8 I'm trying to get ten pounds out of a nine-pound sack.

9 CHAIRMAN HENDRIE: Once that stuff begins to slide,
10 then unless you hike the priority on it, you may find
11 yourself slipping downstream until the inevitable fluctuation
12 over a several week period in the workload, create a valley
13 which allows your stuff to come out.

14 You might say, look, we could stand 36 hours'
15 turn around instead of 24, or even 48. What we can't stand is
16 a turn around which is, well, it may be a couple of days and
17 it may be three weeks. We can't tell you.

18 You can't run on that basis here for the most part.
19 So that's a problem.

20 MR. TROUTMAN: The gross amount that they're paying at
21 \$4000 an hour is still less than they would have to pay for
22 commercial time.

23 I cannot buy the equivalent of an hour of 7600
24 times \$4000, even the most delayed priority commercially.
25 So that you may want to consider giving them this extra money

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gsh 1 because we may be forced to go commercial because of the
2 shortage of computer time at our regular places.

3 CHAIRMAN HENDRIE: What's the increment? It's listed
4 here as 80-P services, 81, 8 million.

5 MR. BARRY: I think the increment is about \$2-1/2
6 million.

7 COMMISSIONER AHEARNE: What would it be?

8 CHAIRMAN HENDRIE: If you chucked in the extra dough
9 to cover these.

10 MR. DONOGHUE: What would they need to make themselves
11 whole?

12 MR. TROUTMAN: They said that if this 8 million only includes
13 1.2 million for them, only includes 1.2 million. They asked
14 for 3700 hours in '81. 3700 hours at \$1000 an hour, that's
15 3.7. There is a page which will show a supplementary request
16 for TMI of 2.8.

17 So if you're considering that 2.3, that would add
18 up to 3.6 million, which almost covers them, if we could
19 find \$1000 an hour time. If we can't get \$1000 an hour time,
20 we have to go to \$4000 to \$5000 an hour time. Then it would
21 be like 15 million.

22 MR. DONOGHUE: The 2.3, I think, is for ISIS, isn't
23 it, Charley?

24 MR. TROUTMAN: No, that's settlement for TMI. It's a
25 TMI add-on. They looked at that 2.3 add-on for TMI and the

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gsh 1 1.2 here, and they said that's not the 5.2 we're looking for.

2 MR. DONOGHUE: It's big dollars.

3 CHAIRMEN HENDRIE: Is the NRR chart a particularly
4 critical one here? Don't we have some research in the same
5 kettle of fish?

6 COMMISSIONER AHEARNE: Doesn't research pay for
7 theirs itself?

8 VOICE: Independently, via a contract.

9 COMMISSIONER AHEARNE: They have 16,000 hours.

10 CHAIRMAN HENDRIE: But this is everything but
11 research now?

12 MR. DONOGHUE: NMSS has a fair chunk of the
13 requirement in the '81/'82 time-frame. They expect some
14 codes to be developed for them by that time, too.

15 CHAIRMAN HENDRIE: They'll have to work pretty hard
16 to get up into the level of complexity and the start of
17 run times that the reactor safety codes get to, and shorter
18 jobs.

19 MR. BARRY: One of the problems that we ran into,
20 Mr. Chairman, is who is calling the shots? In other words,
21 you give a guy another million bucks for computers, unless
22 you have a rather high level of control, it isn't used there.
23 We found that at least we got the branch chief level saying,
24 I don't need all of this money at the time and the assumption
25 for the increase of \$7 million to \$8 million was on the fact

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gsh 1 that 25 percent of their requirement will be on prime time.
2 The other 75 percent will be normal.

3 COMMISSIONER AHEARNE: What is the amount in '80?
4 Charley, what's the amount in '80?

5 MR. TROUTMAN: \$1.1. Then there's a TMI supplemental for
6 that also for \$1.1, plus \$2.8 supplemental, adds up to
7 \$3.9. And the NRR people feel that they needed \$4.8 million.
8 They're only running 25 percent priority.

9 COMMISSIONER AHEARNE: How about all of 80-P in
10 '80?

11 MR. TROUTMAN: \$7 million. That's what Mr. Barry was
12 referring, from \$7 million to \$8 million from '80 to '81.

13 MR. DONOGHUE: A number of items on here are
14 really fixed expenses and there isn't much give one way or
15 the other.

16 The document control system, we're asking for an
17 increase of approximately \$2 million, which is consistent with
18 the planning that has been done for that system right along.

19 There is a set-aside in document control which
20 I'll discuss a little later.

21 Next slide, please.

22 (Slide.)

23 This slide covers the traveling decision units and
24 it's broken into two parts -- travel for the office of
25 administration, which covers such things as --

gsh 1 CHAIRMAN HENDRIE: My sheet says the EDO
2 recommendation for administrative support is \$40 million and
3 change. How did it get down to \$36,158?

4 MR. DONOGHUE: The EDOs includes the supplement,
5 which is carried over from '80. Turn on Slide 3, please.

6 (Slide.)

7 CHAIRMAN HENDRIE: When you make up copies of these
8 things for the commissioners, you ought to do what Sol did,
9 which is instead of having little delicate numbers that
10 probably disappear under the clip and are good for the
11 compilers of the package, you could put a nice big fat
12 number down on the lower right-hand corner, and it makes it
13 easier for us with simpler minds.

14 MR. DONOGHUE: There's where -- now where am I at?

15 You're on administrative support. You
16 wanted to know how to get to the EDO mark of 40 to the
17 36 that this previous table shows. The difference is a
18 supplement of 415K that I'll be discussing later, an '80
19 supplement that was carried over.

20 MR. BARRY: That's \$4,157,000.

21 MR. DONOGHUE: I'm sorry.

22 MR. BARRY: That consists of \$1.5 million for the
23 improvements and the telephone system in the incident center
24 and so on. And \$2.3 million supplement for the 80-P that
25 Charley was talking about.

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gsh 1 MR. DONOGHUE: It's TMI-related stuff.

2 MR. BARRY: And then I&E and inspector-related costs.
3 That portion of support has to come out of Dan's
4 administrative support rather than their administrative
5 support. You add that and you carry that. You've got the
6 same bill when you go into '81. You add another \$4-1/2
7 million.

8 And it is TMI-related.

9 COMMISSIONER AHEARNE: That's true about the agency.

10 CHAIRMAN HENDRIE: The number, however, is
11 \$43,015,000 as a request.

12 MR. DONOGHUE: Yes, the total, right.

13 CHAIRMAN HENDRIE: Okay.

14 (Slide.)

15 CHAIRMAN HENDRIE: Onward.

16 MR. DONOGHUE: Okay. Was there any questions on the
17 travel? It's fairly routine. It covers our own travel,
18 which is staying relatively constant, and the travel for
19 interviewee and change of station travel, which can fluctuate
20 depending on what the final number is that the commission
21 decides on.

22 CHAIRMAN HENDRIE: I'm surprised that it's as small
23 as that.

24 (At 2:35, Commissioner Gilinsky leaves the room.)

25 MR. DONOGHUE: In FY '80, we anticipate having 460

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gsh 1 interview trips. That might increase because the numbers
2 are changing. A change in duty station costs, roughly. On
3 the average, the movement of household goods is about \$2700.

4 CHAIRMAN HENDRIE: I'm just surprised that the
5 basic agency -- wait a minute. This isn't all the travel.

6 MR. DONOGHUE: No, no, no. It's my office, plus
7 the interviewees and household goods.

8 COMMISSIONER AHEARNE: We pay the household goods
9 for the residents, right?

10 MR. DONOGHUE: Yes, sir. Next slide, please.

11 (Slide.)

12 CHAIRMAN HENDRIE: Is '81 far enough away so if
13 there were any hope of improving the circumstances in that
14 program -- should we be trying to make some allowance against
15 it here in the '81 request?

16 MR. DONOGHUE: You mean some hardship allowance or
17 something? It's going to take a statutory approval.

18 CHAIRMAN HENDRIE: To get there?

19 MR. DONOGHUE: I think so. I think you'd need
20 specific statutory authority to do some of the things that
21 I've heard proposed.

22 COMMISSIONER AHERNE: When the budget goes in, let's
23 say.

24 MR. DONOGHUE: That's right. I believe that the
25 budget should reflect any budgetary implications, which it

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gsh 1 obviously has.

2 CHAIRMAN HENDRIE: We're not well situated to have, you
3 know, in hand, the paper that we would eventually like to get
4 which would afford the basis for whatever recommendations
5 the commission wants to make to the Congress and would enable
6 that legislation.

7 But it would seem to me that if we're ever going to
8 get going on the darn thing, why, we ought to be looking to
9 try to shape that up this fall so that when we go to the
10 authorization committees the first of February next year,
11 why, we're able to say, this is what we believe that the
12 Congress should do for us.

13 And I believe the phrase is a planning wedge.

14 COMMISSIONER AHEARNE: That one we learned well.

15 CHAIRMAN HENDRIE: What we might do is put an
16 asterisk on it. I don't know quite whether the place to put
17 it is in the travel category or under administrative support
18 or what. I'll put it in I&Es budget.

19 MR. GOSSICK: On this particular part of it, as
20 far as you know, it affects the resident inspectors. Len
21 and his people have put together part of the package and
22 sent it to Stello, addressing what can be done under the
23 present circumstances.

24 It's not clear to me that, you know, there's a
25 basis for us coming down with any sensible number at this point

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gsh 1 until we really, you know, look at the whole program. We've
2 got the money in here for the vehicles, which will be a
3 big help as far as the resident inspector is concerned.

4 I think that there is a lot more that we can do
5 under the current laws and regulations that make this
6 movement proper and a little less hectic.

7 COMMISSIONER AHEARNE: Where does that money show
8 up, though?

9 For example, we have the provision under current
10 legislation to pay a certain amount of transition expenses.
11 \$5000, which has to do with costs, making the visit.

12 MR. GOSSICK: That's in here.

13 COMMISSIONER AHEARNE: Where does that dollar show up?

14 MR. DONOGHUE: That's in the interviewee change of
15 station. FY '81, it's \$158,000. It will be in that category.

16 MR. GOSSICK: But there's a set-aside that deals
17 with the unit inspectors.

18 MR. DONOGHUE: That, I think, shows up in the
19 legislation, right, Len?

20 MR. BARRY: To answer your question, it's all over.
21 Some of it's in travel.

22 COMMISSIONER AHEARNE: In particular, I read your
23 paper and I noticed a lot of statements there that we have the
24 authority to do all these things.

25 Now I then calculated how much does that turn out to

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gsh 1 be for each move. I figured that it could easily run \$5000
2 for each move on these additional benefits that we could
3 offer.

4 Then I look at this increased growth we are
5 forecasting in the various phases of the resident inspector
6 program. I would expect to see somewhere some \$100,000 item
7 or something increasing to track that.

8 So what I'm asking is, I know that we have the
9 authority, but do we have the dollars in there?

10 MR. BARRY: Bruce, how much in anticipation of the
11 unit inspection program, resident inspection program, and so
12 on -- most of their money for the moves, including going out
13 and looking for a place to live, and so on. Is it -- what?
14 In our travel budget and what else?

15 MR. COOPER: It's a change of station and travel.

16 MR. BARRY: We have projected whatever the number of
17 moves that are involved in I&E for '81, which means you can
18 go out and come back and so on, have been cranked into our
19 budget.

20 COMMISSIONER AHEARNE: Len, could you in the next
21 couple of days give a breakout of what is actually in
22 there?

23 MR. BARRY: Yes, we will, the number of moves
24 projected.

25 COMMISSIONER AHEARNE: Because your paper had a lot

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gsh 1 of these things that we had offered to do. I'm interested in
2 how much money we've actually embedded in there.

3 MR. DONOGHUE: It's also in that million set-aside.

4 MR. BARRY: It is.

5 MR. DONOGHUE: That's where it would be.

6 COMMISSIONER AHEARNE: I'd like to see.

7 MR. BARRY: What the commissioner wants is an
8 articulation of what it is in terms of cost.

9 MR. DONOGHUE: Well, just as a quick example, for
10 every position you hire, we pay about \$240 for interviewee
11 travel, \$345 for the visit to look for a house, about \$2700
12 for a move, and about \$550 for storage of goods.

13 So we're getting pretty close to your number.

14 CHAIRMAN HENDRIE: But these other things were in
15 addition.

16 MR. DONOGHUE: Oh, yeah.

17 CHAIRMAN HENDRIE: Some of the financial adversities,
18 if the change of station is from both coasts, if you've got
19 100 people going on station each year, a \$5000 average bill
20 for that, you're going to have a million bucks, which we
21 ought to have tucked into the budget some place, at least
22 at this stage.

23 (At 2:40, Commissioner Kennedy enters the room.)

24 CHAIRMAN HENDRIE: If we decide that we don't want to
25 authorize it, we can always —

6255.03.13

gsh 1 (At 2:40 p.m., Commissioner Bradford leaves the room)

2 CHAIRMAN HENDRIE: Do you and Peter have an
3 arrangement of the hours that you share? Would it be all
4 right if John and I were to leave?

5 (Laughter.)

6 COMMISSIONER KENNEDY: As long as I can get my cut
7 of that, too.

8 MR. DONOGHUE: Next slide, please.

9 (Slide.)

10 MR. DONOGHUE: The next slide is the training
11 dollars. I showed this columns in parens in FY '80 because
12 otherwise, it looks like there's a significant jump in '80
13 to '81 from 630 to 850.

14 Note that this 120K restoration, of course, was
15 an agreement that Lee made at the time that we sent down that
16 study on the agency training program to what was needed.

17 A number of things were pointed out in which he
18 agreed that depending upon the final outcome of the '80
19 budget, he would do his best to make those funds available.

20 We don't know yet, obviously, what that will mean.
21 But we think that this will provide us with a full range
22 of training.

23 The one thing that drops out if we do not get the
24 '80 is more of the group development courses and they cover
25 such things as labor relations seminars, technical writing,

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gsh

1 or in-house type courses.

2 So we feel that we have to continue supporting these
3 executive development institutions. They're just essential
4 to the well being of the agency.

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Are there any questions on this?

(Slide.)

The supplemental request.

CHAIRMAN HENDRIE: I'm afraid I'm falling behind here. We're going to come back and talk about set-asides in travel and admin support at some point.

MR. DONOGHUE: Yes, sir, that will be the last slide.

CHAIRMAN HENDRIE: All right, good. Onward.

COMMISSIONER KENNEDY: You realize on one slide, now two slides -- I was just looking back over the temporaries.

CHAIRMAN HENDRIE: It's 146, and on the previous slide --

COMMISSIONER KENNEDY: I couldn't figure out why those fellows were in fact temporary. Okay, so they're not, and that's the end of that.

CHAIRMAN HENDRIE: No, they are and they're going to stay that way.

COMMISSIONER KENNEDY: All right. Why are they?

CHAIRMAN HENDRIE: Because they have just come in for --

MR. DONOGHUE: Two years.

CHAIRMAN HENDRIE: Two years is it?

MR. DONOGHUE: As I recall, at the time we came in and talked to OMB about it, they would not allocate an increased ceiling, even though we talked about a rotating ceiling.

1 COMMISSIONER KENNEDY: How can they say that? That's
2 a specific authorization of the Congress of the United States.
3 Has OMB taken over that? I don't think so.

4 MR. BARRY: The Congress did not specify permanent
5 people.

6 COMMISSIONER KENNEDY: Congress specified a number
7 of people as ACRS fellows.

8 CHAIRMAN HENDRIE: I can remember a long hooraw
9 over how we were going to get precisely --

10 MR. DONOGHUE: What we needed within our ceiling,
11 Congress did not provide for increased ceilings to accommodate.
12 So they could be made permanent if we wanted to absorb them
13 within the ceiling.

14 COMMISSIONER KENNEDY: I thought that was sort of one
15 of the things you were going to face up to, instead of dodging
16 the issue.

17 COMMISSIONER AHEARNE: I think in this case, though,
18 Dan has indicated the ACRS did not want them to be included in
19 that.

20 COMMISSIONER KENNEDY: That's the way to dodge the
21 issue.

22 MR. DONOGHUE: I really don't know the answer, I
23 guess.

24 COMMISSIONER KENNEDY: Let me just make a point,
25 okay? If the Congress of the United States wants ten people

1 more on the rolls, the Congress of the United States ought to
2 provide the funds associated for the associated spaces for
3 them, unless it intends that we take them out of something
4 else. Now what we've done is managed to dodge the whole damn
5 issue. And everybody's now got the best of all worlds and
6 never came to grips with the issue of whether this program
7 ought to stay on the books or not. And you know, that's the
8 way the Government manages to screw the taxpayer every time he
9 turns around.

10 Okay, I've made my speech.

11 You know, I think we acted imprudently. We should
12 have taken ten of our spaces, assigned them to this program,
13 and gone back to the Congress and said: Now, by God, we've
14 had to cut licensing by ten spaces to meet the program that
15 you mandated. Instead of them, we give them a free ride.

16 I'm sorry, it's just bad administration on the part
17 of the Commissioners, not you. Okay.

18 MR. DONOGHUE: Okay.

19 (Laughter.)

20 CHAIRMAN HENDRIE: Don't agree so easily.

21 (Laughter.)

22 COMMISSIONER KENNEDY: How can you not agree with
23 that?

24 CHAIRMAN HENDRIE: All right, let's attack training
25 here.

1 MR. DONOGHUE: We passed that.

2 CHAIRMAN HENDRIE: Oh, good, now we're into the
3 supplementals and I can find out what's going on.

4 (Slide.)

5 MR. DONOGHUE: These are, to use the magic phrase,
6 TMI-related sorts of things. The first, 1.4 million, which
7 continues in the out years, is associated with the maintenance
8 and continuing costs associated with that reactor communica-
9 tions system that was recently intalled, as well as putting
10 them --

11 COMMISSIONER KENNEDY: The cost of that is
12 \$1.5 million?

13 MR. DONOGHUE: About one million of that is in
14 recurring costs on that system, and the other is for additional
15 improvements to health physics data systems that would feed
16 into the headquarters of the region, as well as FAX transmis-
17 sion capability to the regions and headquarters from the
18 licensees.

19 CHAIRMAN HENDRIE: We are getting FAX?

20 MR. DONOGHUE: I don't think FAX is in there.

21 MR. TROUTMAN: A broadcast FAX capability will be part of
22 the health physics network.

23 CHAIRMAN HENDRIE: I was down there a while ago. A
24 Congressman wanted to know why we didn't have teletype machines
25 helping everything out.

1 COMMISSIONER KENNEDY: Teletype?

2 CHAIRMAN HENDRIE: This guy was hung up on teletype
3 machines. I kept trying to convince him that it was easier to
4 speak into a telephone than tapping away at a keyboard on a
5 teletype machine. He wouldn't have anything to do with it.

6 Okay. Let's see. It just rises gently as one goes
7 on.

8 COMMISSIONER KENNEDY: At the rate of 10 percent
9 per year. I think on my compound interest formula, it sug-
10 gests that in a matter of eight years it will double, and
11 probably, given inflation, in a matter of five years it will
12 have doubled, in a matter of eight years it will have tripled.

13 MR. DONOGHUE: The Commission could by rule require
14 that the licensees pay the cost of this system.

15 COMMISSIONER KENNEDY: For what?

16 MR. DONOGHUE: For phone and recurrent costs asso-
17 ciated with phones and the rest. We did it because there was
18 apparently an urgent requirement to do so, there was no way
19 of getting --

20 COMMISSIONER KENNEDY: Whose requirement?

21 MR. DONOGHUE: The Commission, as I understood it.

22 COMMISSIONER KENNEDY: So that gives us the right to
23 put that cost on the licensee?

24 MR. DONOGHUE: I'm only suggesting it may be one
25 way.

1 COMMISSIONER KENNEDY: That might be the way to get
2 our new headquarters building.

3 (Laughter.)

4 COMMISSIONER KENNEDY: An emergency need for this.
5 Obviously, it's an emergency. Therefore, it should be paid
6 for immediately out of some loan we can get at a local bank,
7 secured by the assets of all the licensees, who would be
8 required to pay for it.

9 CHAIRMAN HENDRIE: I don't think we need nearly all
10 their assets.

11 COMMISSIONER KENNEDY: For a loan against this
12 agency's building? Hah.

13 CHAIRMAN HENDRIE: A modest levy against the
14 licensee.

15 All right, what else have we got? ADP services.

16 MR. DONOGHUE: That's the same thing we discussed
17 earlier. That's a result of increased requirements from TMI.

18 CHAIRMAN HENDRIE: Did I understand, or have I got
19 it all screwed up again, that NRR's estimate and maybe yours,
20 too, of a shortage of dollars back in that 8 million is made
21 up in part here?

22 MR. TROUTMAN: Yes. Look in the first column, 2839. Add
23 on that 1.1, okay, that's in the \$7 million budget. In the
24 next column, the 2286, add on another 1.3.

25 CHAIRMAN HENDRIE: I thought it was 2. Well, no

1 matter; something like that.

2 MR. TROUTMAN: It would be 1.28. If you add those
3 together, you come up with 3.5 in the '81 year and 3.9 in the
4 '80 year. So both of those are short.

5 CHAIRMAN HENDRIE: Still short.

6 MR. TROUTMAN: We're trying to buy 3300 hours in '80,
7 3700 hours in '81, because we don't think we'll be able to
8 buy \$1,000 an hour computer time.

9 CHAIRMAN HENDRIE: So that means that the \$8 million
10 back there in the other table, plus the 2286 for ADP services
11 here -- well, this is part of a set-aside or what is it?

12 MR. GOSSICK: A supplemental.

13 MR. DONOGHUE: It's really an '80 supplemental,
14 carried --

15 CHAIRMAN HENDRIE: It's an '80 supplemental. It's
16 part of the '81 request. But the 8 million you had under
17 admin ADP plus the 2286 under the '81 budget still fails by
18 something like between one and two million bucks to buy NRR
19 the amount of time they think they're going to need, even if
20 you could get it at \$1,000.

21 No, that's not right. It would justify it at a
22 thousand.

23 MR. TROUTMAN: That's what the Budget Review Group said. It's
24 by the \$1,000 an hour and that's what they get.

25 CHAIRMAN HENDRIE: And you don't think it's going

1 to come anywhere near that?

2 MR. TROUTMAN: They say now that they're not able to get
3 anywhere near \$1,000 an hour and since the requirements have
4 expanded, the additional purveyors, they're going to have to
5 get more priority time to avoid getting into that infinite Q.

6 CHAIRMAN HENDRIE: I'd stick a couple of million
7 bucks in this item, because if they need the time in fiscal '81,
8 you know, we'll just find the money wherever we have to.

9 (At 2:55 p.m. Commissioner Gilinsky entered the room.)

10 CHAIRMAN HENDRIE: And if they're going to need it,
11 maybe we'd do better to sort of stick it in the beginning. We
12 probably won't get it all from the Congress anyway, but at
13 least we could show we thought about it.

14 COMMISSIONER AHEARNE: Can I add the supplemental
15 '81, '82, '83 lines to the Administration budget summary and
16 get what the total request is, then?

17 MR. DONOGHUE: Yes, sir.

18 COMMISSIONER AHEARNE: That still falls in some
19 cases below the EDO mark.

20 MR. DONOGHUE: That still gets below.

21 COMMISSIONER AHEARNE: Maybe '82 and '83 are
22 unimportant here. That's where the difference is.

23 MR. DONOGHUE: Oh, that's where it is? He still
24 finds a discrepancy between the EDO mark and our mark. I
25 think it might be the set-aside.

1 CHAIRMAN HENDRIE: Let's see. I've just lost it.
2 Okay, I think that ADP column needs another 2 million.

3 MR. DONOGHUE: On this chart, the 150 K for unit
4 inspectors covers --

5 COMMISSIONER KENNEDY: Excuse me.

6 MR. DONOGHUE: Yes, sir.

7 COMMISSIONER KENNEDY: Are we reaching the point
8 where we would be better off investing in a fairly high-power
9 computer of our own?

10 MR. DONOGHUE: We're getting to that point, yes, sir.

11 COMMISSIONER KENNEDY: We're talking about
12 \$13 million for one year in this category of expense, and that's
13 a whole lot of money.

14 COMMISSIONER GILINSKY: You're talking about a
15 computer?

16 COMMISSIONER KENNEDY: That's right. I guess I'd
17 like to see --

18 MR. DONOGHUE: We have in preparation a paper that's
19 still being massaged, to come to the Commission on the question
20 of whether or not the Commission ought to have --

21 COMMISSIONER KENNEDY: Lease or buy. There comes a
22 time when a decision of that kind ought to be made, and it
23 ought to be made on the basis of an estimated total payout.
24 And at 13 million plus a year and going up, I guess I'd like
25 to see the economics.

1 MR. DONOGHUE: Yes.

2 COMMISSIONER GILINSKY: When is that coming out?

3 MR. DONOGHUE: Charlie, where do we stand on that
4 paper?

5 MR. TROUTMAN: We have all the remarks from all of the
6 offices, and I've prepared a summary comparing and contrasting
7 the views with some of the offices' remarks, the idea that a
8 machine can do everything. There are a lot of problems. So
9 I've prepared that addendum.

10 In addition, we have the consultant, a fellow who
11 helps on the document control system. So we have his criti-
12 cisms. And the attempt was then made to answer his criticisms
13 and questions. Part of this was to go back to the offices and
14 show what the time in licensing time or, you know, have you
15 not been able to issue a license because you didn't have
16 computer time. That was this kind of a question.

17 So we sent that back to Mattson and Schroeder in the
18 middle of TMI.

19 COMMISSIONER KENNEDY: But they received it?

20 CHAIRMAN HENDRIE: It didn't get much of an answer.

21 MR. TROUTMAN: But some of the staff thought they should go
22 to work on it. However, that's a very involved problem, to
23 ask a question of the engineering staff like that, you know,
24 to work backwards on what deadlines, milestones of licensee
25 decisions may be coming, days of reactor time lost.

1 COMMISSIONER KENNEDY: Maybe that's not just the
2 only question.

3 MR. DONOGHUE: No, it wasn't.

4 COMMISSIONER KENNEDY: There's another question:
5 What do you get for \$13 million?

6 COMMISSIONER GILINSKY: Are we occupying the core
7 of a large machine?

8 MR. DONOGHUE: My understanding of what you have to
9 have for justification to GSA in the first instance, and to
10 OMB in the second, independent of the budget, involves cost
11 payouts and benefits on a ten-year planning horizon. And we
12 didn't have that yet, and we're trying to get a handle on those
13 things, so that when the Commission looks at it they'll have
14 a complete vision of what this involves in terms of both the
15 near-term problem and the longer-term problem.

16 It also involves not only the question of the
17 10 million. Commissioner Kennedy, which you see here, but the
18 significant dollars that are being paid out by Research for
19 computer time in the laboratories. And that is the other thing.
20 If we're going to have an energy mainframe, a computer, we
21 ought to be taking the work everywhere to do it on it. That's
22 one of the problems we brought into it.

23 COMMISSIONER AHEARNE: We don't necessarily need it,
24 but there should be some break point where it's economical for
25 you to have your own computer. That doesn't automatically

1 mean everything works to the end.

2 MR. DONOGHUE: That's right.

3 COMMISSIONER KENNEDY: There are several optional
4 mixes of what can be put on a machine, each with its own
5 economics, and I guess that's what I'd like to see.

6 MR. DONOGHUE: That's what this paper will address,
7 yes, sir.

8 CHAIRMAN HENDRIE: Okay, onward.

9 COMMISSIONER KENNEDY: When will we see this paper?

10 COMMISSIONER AHEARNE: I think what Charlie's saying
11 is that part of it is based upon the response time of NRR to
12 some of the questions.

13 MR. TROUTMAN: To this extensive set of questions by the
14 consultant on agency policy and all, whereas just looking at
15 the measures of the dollars spent here versus dollars spent
16 somewhere else, and if there's a least-cost solution to getting
17 this work done.

18 COMMISSIONER KENNEDY: That's exactly what I'm looking
19 at. Then we can talk about the high policy questions. That's
20 the question I want to know the answer to. Then I can think
21 about what the policy ought to be.

22 MR. TROUTMAN: I can certainly answer that question with
23 the original paper. Then only can the office come back and try
24 to put other things on the scientific regime, the \$5 million
25 that we may be throwing otherwise commercially. The original

1 paper did address your question, that is, it's certainly a
 2 lower-cost solution to have our own machine, but the offices
 3 then want to put on all their other things -- ISIS and the
 4 payroll.

5 COMMISSIONER KENNEDY: So it makes sense from a
 6 policy point of view that, as long as they want to put more on
 7 it and we really maybe can't do that, it's better, presumably,
 8 to keep going with the higher-cost solution?

9 MR. TROUTMAN: I've never concluded that, sir.

10 COMMISSIONER KENNEDY: I don't, either. But that's
 11 sort of where we are at the moment.

12 COMMISSIONER AHEARNE: There may be a few nuances in
 13 there that can make it a little more complicated than that.

14 COMMISSIONER KENNEDY: I understand that. But I
 15 think it probably turns out to be something about as simple as
 16 a long-run policy question while the economics continue to eat
 17 us up. Let me suggest that that's one of the quickest ways
 18 that I know of in the literature to go into bankruptcy. The
 19 only reason we don't is because Government agencies seldom do.

20 CHAIRMAN HENDRIE: The bulk of the computing time
 21 at this agency --

22 COMMISSIONER KENNEDY: We've got a limitless tax
 23 base, the way bureaucrats always do. One more addition to the
 24 tax base.

25 CHAIRMAN HENDRIE: Let me point out to you that the

1 bulk of the investment this agency makes in computer time is
 2 made on Government computers. It's not made on commercial
 3 machines, it's made on Government computers. Now you know,
 4 we may think that we can run a 7600 cheaper than Brookhaven
 5 can. Lots of luck, fellows. I've worked both places. Lots
 6 of luck.

7 My guess is that your hourly cost --

8 COMMISSIONER KENNEDY: Who owns the 7600 computer
 9 at Brookhaven?

10 CHAIRMAN HENDRIE: The Government of the United States
 11 of America, and we get it at their cost.

12 COMMISSIONER KENNEDY: Okay.

13 CHAIRMAN HENDRIE: You just can't do better.

14 COMMISSIONER KENNEDY: That's a basic consideration
 15 in the cost study.

16 CHAIRMAN HENDRIE: That is my view.

17 MR. DONOGHUE: I'm very leery of commercial time-
 18 sharing.

19 COMMISSIONER AHEARNE: I've been in places where we
 20 -- studies have been done that it would be a lot cheaper and
 21 faster to get your own computer, and what you ended up with was
 22 your own computer. It was cheaper and faster.

23 CHAIRMAN HENDRIE: Yeah.

24 COMMISSIONER KENNEDY: But we are going to see the
 25 day.

CHAIRMAN HENDRIE: True. Let us charge ahead.

kap

1 (Slide.)

2 MR. DONOGHUE: The set-asides, I've already
3 discussed the three for plain English and the conversions,
4 the ISIS was discussed by Bill Dircks. ISIS is only the
5 repository of the money for which I'm eternally grateful.

6 COMMISSIONER AHEARNE: In other words, you don't
7 have to argue for it.

8 MR. DONOGHUE: Right. The document control
9 system, this is a requirement of NRR that we backfit at an
10 accelerated pace all of the Babcock & Wilcox plants plus
11 about 14 others. This was Denton's request to me, that they
12 immediately on an accelerated basis be backfitted into the
13 document control system.

14 What this implies is a second shift.

15 COMMISSIONER AHEARNE: Is this a formal request?

16 MR. DONOGHUE: Yes, it's a formal letter from
17 Denton to me, spelling out a formal list of the plants that
18 they need backfitted. Quite frankly, if we did not have
19 this TARA system when TMI hit, we'd have been in awful
20 condition. In order to be responsive to the investigative
21 committees, to the license reviewers themselves, as I
22 understand they're standing in line down there at the TMI
23 investigation to get on the terminals.

24 We're trying to provide them with a method. It's
25 the only systematic way we could have gotten at the

kap 1 documents. I think they put 12,000 documents on the system
2 just related to TMI-1 already.

3 COMMISSIONER AHEARNE: Are these for all the B&W
4 plants?

5 MR. DONOGHUE: I think it's 16 plants there and
6 about 14 SEP.

7 CHAIRMAN HENDRIE: Well, better get it done.

8 MR. DONOGHUE: So that's the cost.

9 COMMISSIONER KENNEDY: Why is the set-aside 2300
10 in '80 and '81 reducing the numbers, if I'm correct, to 2500
11 in '80 and 4500 in '81?

12 (Commissioner Bradford entered the room at 3:07.)

13 COMMISSIONER KENNEDY: Whereas in '82 there is no
14 set-aside, causing a 100 percent increase between '81 and
15 '82. What's the reasoning for this?

16 CHAIRMAN HENDRIE: Where are we?

17 COMMISSIONER KENNEDY: I'm looking at this.

18 COMMISSIONER AHEARNE: But do you subtract the
19 set-aside from it?

20 COMMISSIONER KENNEDY: Do you take the set-aside
21 out of these numbers or is the set-aside already out?

22 MR. DONOGHUE: The set-aside is already out.

23 COMMISSIONER KENNEDY: Well, okay, my question is
24 just slightly different than why do we want, you know,
25 what's the purpose of the set-aside? What's served by what

kap 1 would appear to be a slowdown in the early years?

2 MR. DONOGHUE: It's intended to be an acceleration
3 in the early years.

4 COMMISSIONER KENNEDY: Not given the set-aside?

5 MR. DONOGHUE: The set-aside would be provided to
6 increase, to put on a second shift to address just these
7 specific plants.

8 COMMISSIONER KENNEDY: But why is it set aside?

9 MR. DONOGHUE: It was set aside initially, I
10 guess, by the BRG, because they wanted a firm requirement
11 from Denton to me, number one, and that's also for
12 Commission consideration, because the Commission agreed that
13 putting these plants on the system at an accelerated rate
14 with a second shift is important enough to spend the extra
15 dollars needed for it.

16 COMMISSIONER AHEARNE: The rest of the program,
17 then, as you get out into '82 and '83 would be picking up
18 the other plants.

19 MR. DONOGHUE: That's right.

20 We intended initially to start backfitting in '81
21 but on a much more, you know, leisurely basis. Something
22 like 750 documents a day, current, and about 250 documents a
23 day, backfit, was the sort of mix we were thinking about.

24 COMMISSIONER AHEARNE: On that schedule, assuming
25 you do get the set-aside, when will all the current plants

kap 1 be on the --

2 MR. DONOGHUE: I think we've estimated on the
3 current plants, I think we're talking about -- with the
4 set-aside, which will be devoted entirely to backfit --
5 about 12 to 15 plants a year, is that right, to get them in?

6 COMMISSIONER AHEARNE: So you would expect
7 somewhere around what, '83, '84?

8 VOICE: '85, four years out.

9 MR. DONOGHUE: Then there's a question should all
10 of them be done? I guess a lot of that would depend on some
11 of the older ones.

12 COMMISSIONER AHEARNE: But the older ones are
13 going to be the ones that are going to --

14 MR. DONOGHUE: According to the SEPS, the ones
15 that are identified for SEP clearly are in this.

16 COMMISSIONER KENNEDY: What will the 2300 add?

17 MR. DONOGHUE: That'll add the capability of
18 putting about 12 to 15 on a year, faster than we anticipated
19 on the regular schedule, which would have probably allowed
20 us something like two or three a year. Before the need to
21 do this --

22 COMMISSIONER AHEARNE: At least in theory, you
23 would then somewhere in the out years, if you were looking
24 at the total cost stream, see some reduction.

25 MR. DONOGHUE: Oh, yes. We would expect that we'd

kap 1 be on a current basis, and it would level off.

2 CHAIRMAN HENDRIE: I'm puzzled by the way this
3 slide adds -- if I look at this sheet, I've got a set-aside
4 on the '80 supplement of \$2.3 million, and then 226 travel,
5 what happens to the ISIS?

6 MR. BARRY: On the Isis chart, Dan, for fiscal
7 year '80, there is no \$2 million in '80. There's nothing in
8 '80 for ISIS.

9 MR. DONOGHUE: I thought there was 600 or
10 something.

11 MR. BARRY: There was 600 in the President's
12 budget for ISIS, which, when they reduced our safeguards
13 program because it was under program support, they reduced
14 us by 4.8 million. The \$600,000 for ISIS fell out far as
15 Bill Dircks was concerned, as a matter of priority. So at
16 this point in time, there's nothing for ISIS in '80, unless
17 the Commission determines through whatever means, that that
18 600 comes back in.

19 COMMISSIONER AHEARNE: So as far as the set-aside,
20 your records would say zero?

21 MR. BARRY: Zero. So in '81 the ISIS program
22 starts at that figure.

23 CHAIRMAN HENDRIE: What's the report?

24 MR. DONOGHUE: I think there's some problem
25 between Larry, who handles it for me, and the Comptroller

kap 1 about where it belongs, and where it went in.

2 CHAIRMAN HENDRIE: Is there any disagreement with
3 drawing a line through the \$2 million on this slide?

4 COMMISSIONER KENNEDY: Except to wonder what the
5 effect of doing it is.

6 CHAIRMAN HENDRIE: Apparently it wasn't in the
7 plans.

8 MR. DONOGHUE: Yes, apparently it was put in,
9 Larry says in some direction, I don't know how.

10 MR. BARRY: I haven't the slightest idea.

11 COMMISSIONER KENNEDY: What was the \$2 million
12 supposed to buy?

13 MR. DONOGHUE: I assume it was to initiate --

14 COMMISSIONER KENNEDY: The right amount, but the
15 wrong guy.

16 MR. GOSSICK: The paper before the Commission is
17 recommending going out to an RFP. That would be with '80
18 money, if we went outright.

19 MR. BARRY: Well, yes. The recommendation to the
20 Committee which is to go out with an RFP to start the
21 program in FY '80 at \$600,000 and then 2.7 in '81, and as
22 you see it up there.

23 MR. GOSSICK: The \$600,000 is available somewhere?

24 MR. BARRY: The \$600,000 was available.

25 MR. GOSSICK: Did it carry over? It would be

kap 1 available in '81 -- I mean, in '80?

2 MR. BARRY: If the Commission wanted to support
3 ISIS with \$600,000 or any number in '80, we would have to
4 program it at the moment in '80.

5 COMMISSIONER KENNEDY: Therefore --

6 CHAIRMAN HENDRIE: Either that or add it to the
7 '80 supplement.

8 MR. BARRY: Or add it to the '80 supplement.

9 COMMISSIONER KENNEDY: So the set-aside of \$2000
10 is wrong, but a set-aside of \$600,000 ought to have been
11 there.

12 MR. BARRY: No. That was not a BRG position, or
13 anyone's suggestion, that it would be added for a
14 supplemental.

15 MR. GOSSICK: But there was \$600,000?

16 MR. BARRY: In the '80 budget before the
17 safeguards program was reduced.

18 MR. GOSSICK: Are you saying it's no longer there?

19 MR. BARRY: It's no longer there.

20 MR. GOSSICK: I see, because of the reduction in
21 the safeguards program?

22 MR. BARRY: Right, because it was program
23 support. We are now changing it to Admin. support, where it
24 should have been all along.

25 CHAIRMAN HENDRIE: Will you get a hold of Dircks

kap 1 and figure out, you know, on this sheet which I propose to
2 use as the basis for a final mark-up should there be --

3 MR. DONOGHUE: Yeah, any money at all in '80.

4 CHAIRMAN HENDRIE: Something stuck in there in the
5 '80 supplement to that column for ISIS.

6 MR. BARRY: Mr. Chairman, you won't have an answer
7 for you. His answer will be, it's up to you. He would like
8 to get ISIS started, but he has elected not to sustain the
9 \$600,000 in his budget as a result of his reduction in
10 safeguards.

11 COMMISSIONER KENNEDY: But it's not in his budget,
12 it's over here.

13 CHAIRMAN HENDRIE: Is the \$2.7 million in '81 --

14 MR. BARRY: That's the correct number.

15 CHAIRMAN HENDRIE: In order to get the \$2.7
16 million in '81, do you have to have put 600 against it in
17 '80?

18 MR. BARRY: You do not.

19 MR. GOSSICK: Can't you?

20 MR. BARRY: You simply do not start the program as
21 early as you would have liked to.

22 COMMISSIONER KENNEDY: If you put \$600,000 in '80,
23 do you then for the same program that's now visualized by
24 this sheet need \$2.7 million in '81?

25 MR. BARRY: Yes.

kap

1 COMMISSIONER KENNEDY: So if you want to do \$2.7
2 million in '81, you have to have done the 600 in '80?

3 MR. BARRY: No, you really don't.

4 COMMISSIONER KENNEDY: Do you know what the answer
5 is? I don't have the foggiest notion.

6 COMMISSIONER AHEARNE: I know what Len is saying,
7 but --

8 CHAIRMAN HENDRIE: Maybe you could see if you
9 could get straight with Dircks what we want to do in terms
10 of this budget, with regard to the '80 supplement on ISIS,
11 okay?

12 There is an incompatibility between these two
13 sheets, which I want to get straightened out and it would be
14 helpful if you'd get back to us. Now, for '81, why the \$2.7
15 million ISIS, the additional \$2.3 million document control,
16 the \$1 million in unit inspection administration costs,
17 indeed makes the \$6 million set-aside that is on my main
18 sheet. So that seems satisfactory.

19 Go ahead and explain the rest of this to us, if
20 you can.

21 MR. DONOGHUE: The million is the unit inspection
22 administration cost. And that's to cover movement of
23 household goods, the furniture, all of the costs that go
24 with the individual.

25 CHAIRMAN HENDRIE: And that travel line down there

kap 1 is for what?

2 MR. DONOGHUE: That's for household goods.

3 CHAIRMAN HENDRIE: That is also inspection
4 program, unit inspectors.

5 MR. DONOGHUE: Right. I think that concludes,
6 except there is an '83 set-aside which is the cost of
7 movement to the new building.

8 COMMISSIONER AHEARNE: Does that make any
9 difference?

10 MR. DONOGHUE: No, sir.

11 COMMISSIONER AHEARNE: So roughly it contains the
12 same amount of money whether you consolidate to Silver
13 Spring, Rockville, Bethesda or Washington?

14 MR. DONOGHUE: From this Agency's standpoint,
15 essentially yes, costwise.

16 COMMISSIONER KENNEDY: How about Frederick?

17 MR. DONOGHUE: Frederick would make a difference.
18 You'd have a change of duty stations. It would be a de
19 minimus, really.

20 COMMISSIONER AHEARNE: In the licensing effort
21 that you have, did you make any assumption about whether or
22 not there are current congressional actions to try to vote
23 for charging a more direct cost of licensees if it would
24 have an effect on the size?

25 MR. DONOGHUE: No, primarily because of the

kap 1 totally unsettled state of that unit. As you know, our own
2 situation is coming in the Fifth Circuit in New Orleans and
3 the delicate legality of the whole thing, particularly as I
4 understand the proposal on the Hill, would probably run into
5 this constitutional difficulty.

6 But it would certainly be attacked immediately on
7 the basis that it's just a tax levy, in effect, rather than
8 -- one of the problems we had was the problem of equating
9 costs to value to the recipient and they're not completely
10 coextensive, although the Court of Appeals has recognized
11 costs as an indicia of value. That's what we would
12 predicate on our own fee schedule --

13 COMMISSIONER AHEARNE: But the net result of that
14 is that you've got to assume that whatever action Congress
15 takes that it will not lead to an increased effort on the
16 part of your staff.

17 MR. DONOGHUE: I think that's fair because with
18 the schedule that we have now, it would not be too different
19 in concept, which is a cost recovery based either on actual
20 costs of doing it or on an averaging of costs.

21 COMMISSIONER AHEARNE: Do you people do your own
22 estimates of costs?

23 MR. DONOGHUE: For these, they're based on the
24 information provided to us by the NRR and I&E and NMSS. In
25 terms of man hours expended, we develop the cost basis.

kap 1 COMMISSIONER AHEARNE: So that if anything, you
2 might have more people coming on?

3 MR. DONOGHUE: Yes, sir.

4 COMMISSIONER AHEARNE: All right.

5 COMMISSIONER KENNEDY: What's the net increase in
6 cost of the conversion of 156 people?

7 MR. DONOGHUE: In terms of dollars, I don't think
8 there is any increase. It's strictly a status distinction
9 and some benefits.

10 MR. BARRY: Benefits are about seven to nine
11 percent depending on who it is, but I guess on the average
12 it is about eight. That would be the delta.

13 COMMISSIONER AHEARNE: There should be some dollar
14 figure.

15 MR. BARRY: Yes.

16 MR. GOSSICK: What's average pay?

17 MR. BARRY: We're using \$35,000. I don't know.
18 They're so all over the place.

19 MR. DONOGHUE: I would say about a Grade 5, grade
20 average, which would compensate. The median grade probably,
21 of these people --

22 MR. BARRY: \$12,000, \$14,000, I don't know. We
23 could price it out in an hour.

24 MR. DONOGHUE: It would not be significant.

25 MR. BARRY: The dollar impact would be very

kap 1 little, relatively little.

2 MR. GOSSICK: Assuming 18K average, it's only
3 \$183,000.

4 COMMISSIONER KENNEDY: Could I ask one more
5 question, I know you must have covered it but it's a minor
6 detail. What are the seven temporaries in Property and
7 Management doing?

8 MR. DONOGHUE: They're involved with moving
9 furniture.

10 COMMISSIONER KENNEDY: Okay.

11 MR. DONOGHUE: Along those lines.

12 CHAIRMAN HENDRIE: More questions?

13 (No response.)

14 CHAIRMAN HENDRIE: All right.

15 MR. DONOGHUE: Thank you all very much for the
16 opportunity.

17 CHAIRMAN HENDRIE: Thank you very much.

18 (Whereupon, the meeting was adjourned at 3:25
19 p.m.)

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