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Transcript of Proceedings

NUCLEAR REGULATORY COMMISSION

DISCUSSION OF RESOURCE ALLOCATION

(Open to Public Attendance)

June 1, 1978

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Prepared by:
C. H. Brown
Office of the Secretary

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2 UNITED STATES OF AMERICA
3 NUCLEAR REGULATORY COMMISSION
4

5 DISCUSSION OF RESOURCE ALLOCATION
6

7 (Open to Public Attendance)
8

9 Commissioners' Conference Room
10 Room 1130
11 1717 H Street, N.W.
12 Washington, D. C.

13 Thursday, June 1, 1978

14 The Commission met pursuant to adjournment at 11:10 a.m.,
15 Joseph Hendrie, Chairman, presiding.

16 PRESENT:

17 Chairman Hendrie
18 Commissioner Gilinsky
19 Commissioner Kennedy
20 Commissioner Bradford

21 ALSO PRESENT:

22 J. Hoyle
23 L. Gossick
24 J. Kelley
25 K. Pederson
E. Case
J. Shea
R. Cunningham
D. Crutchfield
W. Dircks
R. Mattson

P R O C E E D I N G S

CHAIRMAN HENDRIE: Okay, the subject before the house is Discussion of Resource Allocations.

This comes about growing out of some reviews by the budget review group doing some work in connection with present resources and monies for the present Fiscal Year 79 and looking forward to preparation of the '80 budget.

What the group found is that there are some crunches developing in terms of workload and resource conditions, particularly in NRR and there is a proposal here from the Executive Director for some actions to deal with those crunch situations over the near term, the next half year or so.

Then we will also have to think about ways of dealing and working our way out if one makes the crunch situation for the longer term.

Would you like to go ahead?

MR. GOSSICK: Yes. I would like to just summarize sort of the background, how we got started on this exercise.

A few weeks ago we were beginning to see some problems developing. Cliff Smith was saying that he needed some people with regard to the uranium mills business, working with the agreement states, spent fuel storage, licensing activities ---

COMMISSIONER KENNEDY: My recollection is now and we will want to come back to this that I asked a question about

1 that and I got an answer that there wouldn't be any
2 requirements. But go ahead.

3 MR. GOSSICK: I don't recall the particular
4 question.

5 COMMISSIONER KENNEDY: We can get out the tapes.

6 MR. GOSSICK: At any rate, there were some other
7 indications that the NASAP activities were going to lead to
8 some action on the part of the staff that would require
9 additional capability or additional manpower.

10 The nonproliferation bill, whereby we pick up
11 certain responsibilities, I guess, effectively July the 8th
12 that is now being carried on by Commerce and DOE. Some man-
13 power impact indicated there; and Research was also
14 indicating that they felt the combination of the NASAP
15 activities and advance reactor research work that they might
16 need some additional help.

17 But, at any rate, we sort of said okay, everybody
18 come in with whatever their complaints are and we convened
19 the Budget Review group under Bill Dircks. I guess I would
20 have to call it, at least to me, somewhat of a surprise
21 entry. But NRR came in with some problems that they wanted
22 to talk about.

23 I think in summary, really, the other matters
24 as addressed by the review group are more or less minor. I
25 think we can handle those without any great trouble, but the

1 NRR problem does create a situation where I think, at least
2 for a short term basis, six months or so that there appears
3 to be sort of a backlog or buildup of activities that we
4 need to address and see if we can't clear away in order to
5 keep them from developing into a more serious situation.

6 COMMISSIONER KENNEDY: To be sure that I understood
7 what you said correctly, this is a backlog of a problem or
8 six months or so; did you say?

9 MR. GOSSICK: Well, I think it is certainly a
10 possibility that by putting the resources that I have
11 recommended on it for about a six-month period and we can
12 work off enough of that backlog that will prevent us from
13 getting into serious trouble if we don't otherwise.

14 COMMISSIONER KENNEDY: These are a whole lot of
15 words and I guess we are going to get in to these in detail,
16 things like serious trouble and backlogs of varying sizes.
17 We are going to discuss all of those things in sort of precise
18 terms and define exactly what we mean, are we?

19 MR. GOSSICK: Indeed.

20 COMMISSIONER KENNEDY: Okay.

21 COMMISSIONER GILINSKY: Could I just ask you, when
22 you said some of the problems could be handled easily, were
23 those the NMSS problems?

24 MR. GOSSICK: I think the NMSS numbers as indicated
25 here -- if it was just that and the IP problem, I think we can

1 handle it without too much difficulty. I mean, there is
2 enough flexibility that we could work those out.

3 COMMISSIONER GILINSKY: Well, it seems to me there
4 are areas where the expected work didn't materialize. I
5 think that is true with safeguards. I mean, we built up an
6 enormous safeguards division basically to deal with industry
7 which is now not about to come in to fruition, at least,
8 for the time being and is it really dealing with a handfull
9 of facilities.

10 I think one has to look at the places where ---

11 MR. GOSSICK: Okay. Assuming the Commission agrees
12 that we have got a problem that we must address, that's the
13 next step. We turn the budge review groups loose on where can
14 we free up resources. Some of the ideas that you suggested
15 and some of the things that we are doing, can we delay, slip
16 or change priority on in order to free resources to the problems
17 that we will discuss here.

18 But that is quite right, we have got to look at all
19 of those areas where either the workload has changed; after all
20 our budget and our ceiling, I think was put together and
21 nailed down almost a year ago.

22 MR. DIRCKS: The 79 budget was a year ago and the
23 '78 budget was almost two years ago.

24 COMMISSIONER KENNEDY: So that I understand, you
25 are saying that you have not done that yet?

1 MR. GOSSICK: We have not done that and the whole
2 point of the exercise in coming to you this morning is to
3 address the problem areas that we see that there is very
4 strong feeling on the part of NRR, and I think the Budget
5 Review Committee and myself included, are convinced that yes,
6 we have got something here that we are going to have to address.

7 I would like to ask Bill to sort of just outline
8 for you how the budget review group addressed this situation and
9 add anything he would like to what we have said before we
10 start getting into the problem areas themselves.

11 MR. DIRCKS: The budget review group, just to
12 refresh your memory is made up of myself as chairman, Steve
13 Hanauer, Len Barry and Norm Haller who is a new member this
14 year because of the reorganization that we have done out there.

15 We met with the various offices during the week of
16 May 1st through about May 7th. We met with Nuclear Reactor
17 Regulation, NMSS, Research and IP. The offices came in and
18 we looked at their '78 problems. We wanted to concentrate
19 on '78. They did come in with '79 problems, but we listened
20 to them, but we preferred to deal with '79 problems during the
21 course of the fiscal '80 budget that we will be taking up
22 within the next few weeks. So we prefer to keep the problem
23 isolated to '78 and we will do a more intense review on the
24 '79 problem when the '80 budget is reviewed.

25 In '78 the ---

MR. GOSSICK: That is starting up almost immediately.

MR. DIRCKS: That's starting in a couple of weeks.

COMMISSIONER KENNEDY: When are we do to submit that budget?

MR. DIRCKS: Oh, I think it September 1st.

MR. GOSSICK: End of September, I think. Len?

MR. BARRY: One September.

MR. DIRCKS: The offices, because of their program rearrangements and readjustments came in and asked for '78 for about 60 more people and \$3.9 million in addition to the '78 resources.

Some of these people were short term relief people, so they are not really additional slots. It is relief to get a job done. Based on the review that we did, and it was a short review and it concentrated on '78, we came up with a recommendation that 30 spaces, somehow or another, should be found and \$2.4 million reprogrammed into these critical areas.

COMMISSIONER GILINSKY: Are you talking about reprogramming from one place to another?

MR. DIRCKS: One place to another. Strictly from within offices, but sometimes from office to office where we can see. Part of this exercise we would like is the Commission to recognize that we do have some readjustment problems and to then direct somebody to go back and take a look at where these pockets may be found from which we could transfer some resources.

1 We made our recommendations to the EDO on May 16th ---

2 COMMISSIONER BRADFORD: Bill, if I have understood
3 you correctly then you said that in effect somewhere in the
4 agency you can find 30 people, but you don't yet know where
5 or what impact that will have?

6 MR. DIRCKS: That's true, and that's the bloody
7 business when you go looking for resources.

8 MR. GOSSICK: That's why we have got to address
9 and come back to you and show you what the impact would be
10 if we meet this requirement, where would we propose to take it
11 from then see whether the Commission agrees.

12 MR. DIRCKS: You are going to have to measure the
13 impact of where we are getting the resources from.

14 COMMISSIONER BRADFORD: So what we would be saying,
15 since it isn't like this, it is essentially one of priorities,
16 is that these matters have such a high priority that somewhere
17 in the agency there must be 30 people who are working on something
18 with lower priorities.

19 MR. DIRCKS: That's what our feeling is now.

20 We have some feel for where these resources might be,
21 but we prefer a firmer mandate to go looking for them.

22 The recommendations of the BRG that we submitted to
23 Lee was dated May 16th, and Lee transferred these down to you
24 in his memo of May 25th.

25 If it is okay, what I would like to do is work back

1 in the order of this increasing difficulty. I would like to
2 take the request of the Office of International Programs first
3 and review that briefly then work to NMSS and then end up with
4 the NRR request. I think there will be more discussion on
5 that one than the other two.

6 International Programs asked for four additional
7 people in fiscal '78. The basis for their request was the
8 new responsibilities placed on them by the Nuclear Nonprolifer-
9 ation Act of 1978.

10 They asked for two additional professionals and two
11 additional clerical support people.

12 COMMISSIONER GILINSKY: So these would go in to the
13 export licensing area?

14 MR. DIRCKS: Export Licensing, mainly to deal with
15 the new responsibilities we picked up from the Department of
16 Commerce and the consultation requirements under the Act.

17 What we did -- now complicating the problem -- and
18 Lee has discussed this with OMB -- is that I think we have
19 got some sympathetic understanding from OMB that they might
20 want to take a look at this problem during the course of the
21 '79 -- the '80 budget review.

22 COMMISSIONER GILINSKY: This is four added to how
23 many?

24 MR. DIRCKS: There are now 24 on the staff.

25 COMMISSIONER GILINSKY: Yes, but how many in that

1 export area?

2 MR. DIRCKS: I count 12 right now in the export
3 area.

4 MR. GOSSICK: Bill mentioned that OMB discussion I
5 had, you know, the question is: Well, if we get this respon-
6 sibility and function from Commerce, why don't we get the
7 spaces with it? And the answer is, well, their argument is
8 since it is half a man-year here and half a man-year there
9 that there are no identifiable spaces. It is the same argument
10 we would use if somebody tried to clip us, I'm sure. And they
11 said it isn't anything we would even look at right now as a
12 separate '78 problem. Bring it up when you bring you '80
13 budget forward and we might think about adjusting between the
14 Commerce or recognizing your requirement and then giving you
15 some help which we would plan to do, of course.

16 CHAIRMAN HENDRIE: Now, the proposal for an early
17 hire against '79?

18 MR. DIRCKS: We are recommending four. They are
19 in for four additional people and I think that Congress has
20 approved it in '79. We are recommending that they be allowed
21 to go up above their '78 ceiling and go in to their '79 --
22 barrow against their '79 ceiling. Right now it is '78.

23 CHAIRMAN HENDRIE: Do you have any problem with
24 the -- when is the counting day on numbers of people?

25 MR. GOSSICK: One October, but normally there is

1 enough leeway that -- and of course, if the decision was made
2 to hire these guys now, that would be probably a couple of
3 months before they are on board. So you are getting awful
4 close. It is manageable.

5 CHAIRMAN HENDRIE: So by early hiring, which you
6 believe is accommodatable under the agency October 1 total
7 manpower ceiling you could relieve the difficulty and then
8 there is further discussion to come with OMB about: "How
9 come we get work from Commerce, but it turns out that no
10 resource comes with it?" Well, we all know the answer to that,
11 but it is a discussion which is useful to have.

12 COMMISSIONER GILINSKY: Where do we stand with that
13 work at Commerce.

14 MR. GOSSICK: Getting what?

15 COMMISSIONER GILINSKY: Are we in fact getting some-
16 thing from Commerce?

17 MR. GOSSICK: We are working with them now, and as I
18 understand it from Jim Shea, and I think he is here. But we
19 don't actually pick up the functional responsibility until
20 July the 8th. I don't know how that date was arrived at.

21 COMMISSIONER GILINSKY: Well, what happens on
22 July the 8th?

23 MR. GOSSICK: When that's when the cases then
24 that they have been reviewing will come to us.

25 COMMISSIONER GILINSKY: Well, let's take something

1 like heavy water. Does that come to us after July 8th?

2 MR. GOSSICK: Yes, right. Absolutely.

3 COMMISSIONER GILINSKY: I thought the Commission
4 had to make some kind of finding. Is that not right?

5 MR. GOSSICK: As to whether or not we would
6 accept the responsibility for reviewing these?

7 COMMISSIONER GILINSKY: I thought so.

8 MR. SHEA: May I clarify that Commissioner.

9 In the Part 110 Export Regulations we specify that
10 these are possibilities that come July 8th that what they
11 would be, there is a listing of those in there of which ones
12 would be reviewed by the Commission.

13 COMMISSIONER GILINSKY: So in approving 110, we
14 approved all of those items?

15 MR. SHEA: That's right. The transfer of these.

16 CHAIRMAN HENDRIE: The so-called sensitive --- and
17 the list of items which are very similar to ---

18 MR. SHEA: The suppliers trigger list.

19 CHAIRMAN HENDRIE: Yes.

20 MR. GOSSICK: There is one other possible problem
21 here, of course, and that is the House Appropriations Committee,
22 you know, clipped us 24 people out of PDA and PTS, unspecified.
23 We are appealing that, but depending on the appeal, whether
24 we get them all back or not, at least some of this might be
25 a problem, but we will handle that when it comes, I guess.

1 CHAIRMAN HENDRIE: Could we move -- yes?

2 COMMISSIONER BRADFORD: I just had one question.

3 Is there an assumption on these four people in any
4 way built in with regard to what I guess is a certain amount
5 of pulling and hauling now going on between IP and NMSS as
6 to certain international safeguards responsibilities? That is,
7 if the four that they are asking for and the 7 that NMSS are
8 asking for do the same job and then we ought to decide the
9 other question first?

10 MR. GOSSICK: They are completely different.

11 MR. DIRCKS: It is a different issue.

12 The 7 in this package that the NMSS is asking for
13 is on their fuel cycle side of their house, not on the
14 safeguards side.

15 COMMISSIONER BRADFORD: How about the 4?

16 MR. DIRCKS: The 4 here, export licensing and we
17 are not -- I don't think they are involved in international
18 safeguards policy, whatever that may mean right now.

19 But this is really the licensing process work that
20 the Department of Commerce has been doing and that we are ---

21 COMMISSIONER BRADFORD: Let me ask Jim that same
22 question if I could.

23 Jim, does this request contemplate IP having, along
24 with what it currently does on export licensing, an expanded
25 or differently defined role on safeguards assessments?

1 MR. SHEA: No. What these people will be for
2 will be for, as Bill said, the new responsibilities from
3 Commerce and DOE. The way we calculated these was to look
4 at the case load in the Commerce and DOE area that we would
5 be taking over under our regulations and how many people we
6 needed to handle that. It didn't contemplate any international
7 safeguards changes.. Right now, we have essentially two people
8 working most of the time on international safeguards physical
9 security type issues and those would be the ones that would
10 maintain our work in the future, but perhaps we might need
11 to expand in '79 or '80. But these particular positions
12 and responsibilities are for licensing.

13 CHAIRMAN HENDRIE: Could we turn to the NMSS thing,
14 Bill?

15 MR. DIRCKS: Well, NMSS asked for 13 additional
16 positions in fiscal '78 and about \$1.6 million.

17 These positions were broken down into four additional
18 positions in their uranium fuel cycle licensing effort, two
19 of which would be in straight sort of licensing work for mills
20 and fabrication plants and so forth; two to service a
21 requirement that came about as the result of a policy on doing
22 EIS's in agreement states. Four in the spent fuel area and
23 five in waste management.

24 COMMISSIONER GILINSKY: Two for helping ---

25 MR. DIRCKS: Yes.

1 COMMISSIONER GILINSKY: But I thought we were
2 supplying money. Are we doing more than that?

3 MR. DIRCKS: No, there was technical support of
4 staff time involved in that.

5 Let me tell you how we got to the BRG result and
6 then you may want to question us some more.

7 As far as the two positions involved in the
8 licensing effort we took a look at their forecasted numbers,
9 what they put together as the result of their '78 budget and
10 concluded that we didn't see any great increase in workload
11 there. NMSS claims there was and they may be right, but our
12 numbers just didn't show it. So we just said ---

13 COMMISSIONER GILINSKY: Well, there must be a decrease
14 in reviewing reprocessing plants?

15 MR. DIRCKS: Yes, but these are nil.

16 COMMISSIONER GILINSKY: Right, but what I am saying
17 is there may be an increase in one area, but there must be
18 decreases in other areas.

19 MR. DIRCKS: We counted by what they call major
20 licensing actions, and I think our forecast -- the forecast
21 that we based the '78 budget on indicated there would be 17
22 major licensing actions. I think we count about 10 right now.
23 So there is some, we thought, sufficient resources to carry
24 out their work in '78 without the two additional slots they
25 asked for. So we recommended no relief there.

1 As far as the two people to do ~~the~~ the two additional
2 positions to do the EIS's and agreement states, we haven't seen
3 any great inflow of state assistance in this area. There was
4 one request that came in from Colorado, I think that is pending
5 now. Our feeling is that to assure that there is no delay
6 in carrying out the Commission policy here that they be given
7 one additional slot for this area just to assure that the
8 Colorado request is acted on promptly and without any delay.

9 COMMISSIONER GILINSKY: Would this person actually
10 be going out and helping the Colorado people prepare the
11 report or for coordinating efforts or see ---

12 MR. DIRCKS: Monitoring contracts, assuring that
13 the EIS meets certain standards and dealing with the national
14 lab if that's where the contract is to be let, to monitor it,
15 to assure that the results are up to par.

16 COMMISSIONER KENNEDY: It is essentially a one-time
17 exercise to help lead them through and thus show them the
18 way to do it.

19 MR. DIRCKS: That's right.

20 Now they anticipate other states coming.

21 MR. CUNNINGHAM: May I answer that.

22 The staff paper that was approved had a term, and
23 I forget the number of years, I think it was three years
24 in which we would do these ---

25 COMMISSIONER KENNEDY: No, I meant with one client or

1 one mill.

2 MR. CUNNINGHAM: Oh, yes. With one mill it is a
3 one-time exercise, that is correct.

4 COMMISSIONER KENNEDY: Or is it with one state?

5 CHAIRMAN HENDRIE: If Colorado comes up with
6 another mill than the one for which you are helping -- on which
7 you are helping, would you propose to help on the second mill
8 in Colorado?

9 MR. CUNNINGHAM: That is correct. Bob Ryan is working
10 on some agreement with the State of Colorado in which we would
11 take the mills they refer to us, those that would come up
12 for license renewals and where these new mills would come up,
13 and we would review these, one review for each mill. But one
14 state may send us more than one mill.

15 CHAIRMAN HENDRIE: If you go through one mill with
16 one state, I think is the thrust that Commissioner Kennedy's
17 remark, doesn't that sort of provide them what ought to go
18 on and ---

19 MR. CUNNINGHAM: That isn't the problem, as we
20 discussed in the paper. The states aren't prepared to do this
21 now. Even if they knew how to do this they don't have the
22 people to do it, they don't have the budget and they just don't
23 have the organization. We did explore this in the paper and
24 that is why we did establish a time period over which we would
25 do this while we would try to get the states to gear up to do it.

1 But we are in sort of a chicken-egg sort of thing now.
2 When we got the application from Connor and I might point
3 out that the staff paper did note very specifically that we
4 would need manpower and dollars to do this. We got the
5 application from Connor and we sent it back over to the
6 agreement state people and we said we don't have the people,
7 and we aren't budgeted for this and this is one that Bill is
8 talking about presently.

9 The problem is and the reason we don't have more
10 applications is that we are holding off, as is the state until
11 we see what happens with this one. But we have talked with
12 the people in New Mexico about doing the same sort of thing
13 and there is no point in doing that unless we know we are
14 going to have enough people.

15 COMMISSIONER KENNEDY: One last question. In the
16 process of doing this, is it also part of the package that our
17 assistance is to help show them the way to cut this umbilical
18 cord?

19 MR. CUNNINGHAM: Yes, sir; yes sir. That is our
20 plan. Our definite plan is not to continue on with this
21 for ever.

22 COMMISSIONER KENNEDY: In other words, what we are
23 doing is working ourselves out of a job, that's the name of
24 the game?

25 MR. CUNNINGHAM: Yes, sir.

1 COMMISSIONER KENNEDY: Then I'm for it.

2 CHAIRMAN HENDRIE: Go on Bill with the NMSS.

3 MR. DIRCKS: Spent fuel: NMSS requested four
4 additional staff and \$290,000 to -- they say -- continue to
5 work on the GEIS on spent fuel to accelerate, to move it
6 along faster because of the various slips and slides in the
7 waste management program -- national waste management program.
8 It looks like spent fuel storage will be an accelerated program
9 over in DOE and what we are trying to do here is accelerate our
10 own efforts to proceed on the licensing of spent fuel facility.
11 and away from reactor spent fuel facility.

12 Of the four, we calculated about two would be needed
13 for the direct licensing effort on an AFR, two would be needed
14 to do the work on the GEIS to look at safety reviews of some
15 DOE facilities unconnected with a direct spent fuel storage
16 facility. So the four is a mixture of efforts in here. Two
17 for direct licensing of an AFR, two more to do associated work
18 with the GEIS and other efforts in this particular area.

19 COMMISSIONER GILINSKY: Let me ask you. Has NMSS
20 made some effort to reprogram internally within its office?

21 MR. DIRCKS: We have asked them that question,
22 they claim they have taken a hard look at both sides of the
23 house and they said they don't have any room to make the move.

24 MR. GOSSICK: I might say that they have had another
25 problem over there that is not addressed here, but that they

1 have taken care of, I hope, out of their own resources and
2 that is in this material licensing business. That has been
3 in sort of bad shape and I believe you moved some people
4 around.

5 COMMISSIONER KENNEDY: Only the three years to my
6 certain knowledge.

7 COMMISSIONER GILINSKY: I was about to say still.

8 MR. GOSSICK: Yes, still. Can you give me the number
9 of people who have been moved around from place to place on.

10 MR. CUNNINGHAM: Well, we are going through some
11 reorganization and realignment in how the jobs are done and
12 we have the paperflow study starting to produce now, but we
13 have put on materials licensing to help us catch up a task force
14 of, as I recall, six people to help catch up.

15 COMMISSIONER GILINSKY: In other words, NMSS is
16 asking for however many persons it is ---

17 MR. GOSSICK: They were asking for 13 and ---

18 COMMISSIONER GILINSKY: Well, the BRG it is 7, but
19 the idea is these are to come from outside of NMSS.

20 MR. GOSSICK: Yes, that's right. They are saying
21 they need these additionally.

22 MR. DIRCKS: That's their idea. On the second round
23 of this exercise, if you ask us to we might have other
24 suggestions.

25 COMMISSIONER GILINSKY: But in recommending seven are

1 you saying that you think that seven ought to come from
2 outside NMSS?

3 MR. DIRCKS: No.

4 COMMISSIONER GILINSKY: Not necessarily?

5 MR. DIRCKS: We are saying, in this effort we think
6 they should get some relief.

7 COMMISSIONER GILINSKY: There are 7 positions that
8 ought to be added, but they may come from outside NMSS and
9 they may come from inside NMSS?

10 MR. DIRCKS: That's right.

11 COMMISSIONER KENNEDY: Has this effort taken into
12 account any estimate of the likely personnel requirements
13 associated with these proposals or much wider NRC licensing
14 involvement in the waste management business?

15 MR. GOSSICK: No.

16 COMMISSIONER KENNEDY: Has anybody made such an
17 estimate?

18 MR. DIRCKS: There have been estimates made, we did
19 it ---

20 CHAIRMAN HENDRIE: Several.

21 MR. DIRCKS: Yes, in connection with the Deutch
22 Task Force ---

23 CHAIRMAN HENDRIE: We are going to get one of them
24 this afternoon in connection with the waste, paper.

25 MR. GOSSICK: I think that one is 62 people or
something like that. We think that is an '80 number, at least

1 an '80 problem rather than a '78.

2 MR. DIRCKS: And there were estimates in connection
3 with the Q and A's that were submitted to the Hart committee.

4 COMMISSIONER KENNEDY: It depends on the language
5 of the bill whether it is an '80 problem.

6 MR. GOSSICK: That's exactly right.

7 COMMISSIONER KENNEDY: There should be no mistaking
8 that view and that problem when it is put before the Hill.

9 MR. GOSSICK: Right, I agree.

10 CHAIRMAN HENDRIE: But at any rate this discussion
11 does not relate to those waste management ---

12 COMMISSIONER KENNEDY: I just wanted to be sure
13 there was a very clear differentiation.

14 MR. GOSSICK: I guess at the earliest that would
15 be a '79 problem, Commissioner Kennedy, not '78.

16 COMMISSIONER KENNEDY: Okay.

17 MR. DIRCKS: The only slight connection would be in
18 the spent fuel business, but there, I think we are just
19 trying to get ready to receive a spent fuel application, an
20 AFR if it does come along and I am pretty sure it will be
21 coming.

22 The radioisotopes licensing, the catch-up business
23 there, that's why the Commission did vote to give them
24 a substantial increase in '79, I think going from 37 people
25 up to 47 people.

1 COMMISSIONER KENNEDY: We also have a proposal
2 before us to look at naturally occurring. What's the
3 effect of that?

4 MR. GOSSICK: I have forgotten the number, but
5 there was a number in the paper which I just don't recall.

6 MR. DIRCKS: As I recall it was a fairly small number.

7 CHAIRMAN HENDRIE: On the order of four or something
8 like that sticks in my mind.

9 COMMISSIONER KENNEDY: But that four is a relatively
10 small number compared to 2500, however, I do not consider it,
11 let there be no mistake, in a relatively small number.

12 MR. DIRCKS: I think when we are saying small we are ---

13 COMMISSIONER KENNEDY: It is \$150,000 at least.

14 MR. GOSSICK: Right.

15 MR. DIRCKS: I think we were small in comparison ---

16 COMMISSIONER KENNEDY: That is in personnel salary
17 alone. So it is like \$350,000 or \$400,000 that we are talking
18 about and those numbers are big enough to be interesting to
19 me.

20 CHAIRMAN HENDRIE: Should we turn to ---

21 MR. DIRCKS: We have one more thing on waste
22 management.

23 COMMISSIONER KENNEDY: So we have 62 and 4 and 66
24 people that we are talking about that we are looking at just
25 over this little humic that we are dealing with right now,
right? So let's not forget that.

1 MR. DIRCKS: A final thing in the NMSS request was
2 5 additional staff and about \$1.1 million in the high level
3 and transuranic waste program.

4 Two of these would be connected directly with
5 the setting up the standards and criteria, the regulatory
6 base by which to license a high level waste repository. In
7 our review we thought this was highly essential, the program
8 has run in to some delays and we think two additional people
9 there would allow the program to catch up to where we think
10 it should be in relation to the DOE efforts along these lines.

11 Of the 3 remaining positions in the request, two
12 were for professionals to do licensing actions on the
13 WIPP facility. We felt as though because the WIPP facility
14 is still in the area of somewhat of an indefinite state, it
15 is there but we are not quite sure when applications will be
16 forthcoming. We thought that should -- we recommended that
17 those two additional people not be given to NMSS now and
18 take a look at it in the '80 budget review.

19 CHAIRMAN HENDRIE: Those people in effect become
20 part or although probably a more certain part of that larger
21 pool of potentially needed manpower in the waste management
22 area when things on the legislative front clear a little bit.

23 MR. DIRCKS: That's right.

24 CHAIRMAN HENDRIE: So you end up with two there.

25 MR. DIRCKS: The remaining position is a secretarial

1 position and we just tied to the licensing of WIPP and that
2 went deferred too. That's the seven positions of NMSS.

3 Now, the NRR.

4 CHAIRMAN HENDRIE: So far as you outlined at the
5 beginning what we have talked about are, although real needs,
6 relatively small numbers of people. It seems to me that
7 reasonably a good hard look is likely to reveal capacity to
8 do these jobs, I would think, likely within NMSS as a matter
9 of fact with some looking around for assistance from other
10 offices, perhaps some in spent fuel, but I think there are
11 some things that can be done in the environmental -- site
12 and environmental division in NRR that would help relieve
13 the manpower in there, but they are just not so large that
14 it seems to me, sort of major decisions of the Commission on
15 manpower allotment that we need today.

16 I should tell the Commissioners that I have talked
17 to Cliff about the NMSS situation briefly, spent more time
18 talking to people in NRR to get a closer view for myself of
19 the things that you are now about to have laid out for you.
20 It is my view that this is a rather different and significantly
21 more serious situation and it is only handleable on the basis
22 of rather larger temporary shifts of the staff resources.

23 So please go ahead, Bill.

24 MR. DIRCKS: In NRR we, I believe we explained, we
25 didn't expect to meet with them but they heard we were meeting

1 so them came in to talk to us.

2 They listed about six major areas in which they
3 needed -- or 8 major areas in which they needed support. Six
4 of these areas included personnel areas. The biggest area
5 that they came in on for additional support was in the area
6 of case work. And in case work they are talking about
7 operating licenses, principally, and in the area also of
8 licensing amendments to operating plants.

9 I will just go down and briefly summarize their
10 request and then we can go back to the specific areas if that
11 is all right with you.

12 They asked for 15 additional people in this area
13 and what they are looking for is a short term support, a spurt
14 of effort to get them over a severe backlog problem and then
15 discuss further some permanent resource help in fiscal '79.

16 COMMISSIONER GILINSKY: Could I ask, when was it
17 realized that NRR was in a fix?

18 MR. DIRCKS: We asked that question too. From what
19 I gather they appeared before the Budget process in the past
20 couple of years. They have always been reduced somewhat from
21 their request. I think in the fiscal '79 review they came in
22 and asked for 712 people in their '79 review. BRG reduced
23 that to 643. The EDO opted a couple of positions and the
24 Commission reduced it to 625. But the principal area in which
25 they are asking for relief now, I believe, is in the operating

1 reactor side of the house. They weren't touched too badly in
2 this area. I think they were reduced a total of 11 positions
3 from their request.

4 So between that time and now, and I guess ---

5 COMMISSIONER KENNEDY: But that's not case work.

6 MR. DIRCKS: It is case work when you look at
7 licensing amendments and operating licenses, I believe.

8 COMMISSIONER KENNEDY: I am looking at the summary
9 in this paper that was provided to us, paragraph ---

10 MR. CASE: May the main course approach the bench?

11 CHAIRMAN HENDRIE: All right.

12 COMMISSIONER KENNEDY: I just want to make sure
13 I'm following what you are saying. I am looking at paragraph
14 8, page 2, and I see "Operating Reactors" down there with
15 no number but some dollars.

16 CHAIRMAN HENDRIE: Why don't we let Ed explain this.

17 COMMISSIONER KENNEDY: I just want to be sure I
18 understand what he is saying.

19 MR. DIRCKS: In the area of operating reactors, I
20 think what I was dealing with was the old '79 budget request
21 and I think we were using different terminology.

22 In operating plants, if I can get it right, that
23 includes the Division of Operating Reactors and it slops over
24 into case work. Is that right Ed?

25 MR. CASE: Well, the case work part of the problem is

1 in doing the safety reviews and environmental reviews for
2 operating licenses.

3 COMMISSIONER KENNEDY: OL's?

4 MR. CASE: At the OL's.

5 COMMISSIONER KENNEDY: That's not operating reactors.

6 MR. CASE: There are problems that develop in
7 operating reactors that get transferred because they have to
8 be resolved, in the operating license reviews and conversely,
9 there are problems that develop in the operating license
10 review that have to be addressed in operating reactors. There
11 is a considerable interaction between the two, but the way we
12 budget they are separable items.

13 MR. DIRCKS: Yes, it is sort of substantive technical
14 work, I guess, is in the operating reactors and the case
15 work is to get the amendments and things through.

16 COMMISSIONER GILINSKY: Well, are you including the
17 amendments and so on in the case work?

18 MR. CASE: No, no.

19 COMMISSIONER GILINSKY: You are talking about
20 construction permits and operating licenses?

21 MR. CASE: Right, as well as safety reviews for
22 standard plants, environmental and safety reviews ---

23 COMMISSIONER GILINSKY: Right. Pre-operational.

24 MR. CASE: Pre-operational problems, and manpower needs
25 in that area.

1 COMMISSIONER KENNEDY: How is that case work increasing?

2 CHAIRMAN HENDRIE: The base question here is sort
3 of when did you would you lay out for the Commission when it
4 became as clear as it now seems to you that in fact the
5 available resource for dealing with -- well, the casework
6 load and to some extent I lump the generic and more important
7 and crucial generic task action plans in with those, because
8 if they don't go you have a problems on the case work.

9 MR. CASE: Let me try to answer a number of questions
10 that I though might occur to you in the process of the
11 discussions.

12 I would like to start out by saying, because I
13 believe this in all sincerity, over the last year, I and the
14 division directors in NRR have become much better managers of
15 the processes that we use in developing our products and the
16 allocation and manpower needs to produce those products. By
17 those products, I mean products across-the-board. That is
18 keeping the operating reactors safe by amending them as
19 necessary to impose new conditions, to take into account new
20 information, by the safety and environmental reviews of
21 construction permits, operating licenses and standard plants;
22 and by delivering solutions to generic problems that are
23 codified and addressed in our generic activities.

24 We didn't become these better managers, necessarily,
25 because we became born-again christians, we had better tools

1 to do the job. And those tools included a better definition
2 of the products, better understanding of the allocation of
3 manpower that we use to develop these projects, particularly
4 because we have developed a better accountability system in
5 the manpower MPS, the Man Power System which reports back
6 the manpower that we use for these projects.

7 An example of the better definition, I believe, is
8 the generic technical activities. In the past budget years
9 this has sort of been an amorphous work load and a manpower
10 sink not well defined. Over the last year and a half we have
11 defined the tasks, we have developed task action plans,
12 manpower needed to complete these tasks and the schedules
13 necessary to do it. All across the board we had defined
14 our products and our resources needed. Over 90 percent of
15 the NRR products are specifically outlined measurable items
16 of work coming in and work going out.

17 In this process we have developed a much better
18 picture of what we are doing and what we are not doing with
19 the resources that we have.

20 A little bit on the history of the budget process
21 used in NRR and how we got to where we are today. I inherited
22 a process that was used in the '77 and '78 budget and basically
23 I used the same process in putting together the '79 budget.

24 The products were fairly well defined, however, the
25 resources needed to develop these products and produce them

1 was not as well defined and that was principally because we
2 didn't have this manpower accounting system.

3 COMMISSIONER GILINSKY: When did this become
4 available?

5 MR. CASE: Well, it has become available in a much
6 better form within the last year, although it has been
7 developing over the years, it has reached the form where it is
8 very useable now and we think develops hard facts on what is
9 needed and what can be done to develop these problems.

10 In particular, what was used in the '77, '78 and '79
11 budget which is causing us the most difficulty is the manpower
12 loadings, that is, the manpower per unit needed to do the
13 safety reviews of construction permits and operating licenses
14 and the same area, standardized plants.

15 COMMISSIONER GILINSKY: What are those numbers?

16 MR. CASE: The numbers that were used and I have
17 Roger Mattson's numbers on the top of my mind. In the budget
18 process -- just for his division although there was other work
19 done in other divisions. The number used for operating
20 licenses was 2.2 per man years. The MPS ---

21 COMMISSIONER GILINSKY: Per?

22 MR. CASE: Per OL.

23 The MPS data ---

24 COMMISSIONER KENNEDY: 2.2 man years per OL?

25 MR. CASE: For just that division.

1 COMMISSIONER GILINSKY: Well what is the total per
2 OL?

3 MR. CASE: Well, I will have to give you Harold's
4 contribution. It was about 6.2 man years total. Six and a
5 half.

6 COMMISSIONER GILINSKY: For the safety part?

7 MR. CRUTCHFIELD: Safety and environmental.

8 COMMISSIONER GILINSKY: And environmental?

9 MR. CRUTCHFIELD: Yes.

10 MR. CASE: Can I use my numbers, Commissioner, because
11 I have those in my mind. I think they illustrate the problem.

12 COMMISSIONER GILINSKY: Okay.

13 MR. CASE: Roger's number is 2.2. The MPS ---

14 CHAIRMAN HENDRIE: That was the assumption used in
15 the budget?

16 MR. CASE: Right.

17 Over the last several years, not just in the last
18 year, but the year before that and the year before that.
19 Those numbers were developed in the '74 era. They were
20 developed at the time the standard review plans were being
21 promulgated. They were basically an estimate of what would
22 be needed following the standard review plans for these
23 reviews. Unfortunately, ---

24 CHAIRMAN HENDRIE: Those my number, by the way?

25 MR. CASE: Those are your numbers, sir.

1 COMMISSIONER GILINSKY: And he wants to change them.

2 CHAIRMAN HENDRIE: It raises a fair amount of
3 questions, doesn't it.

4 MR. CASE: The MPS data, over the last three years ---

5 COMMISSIONER GILINSKY: Aren't you disqualified
6 from this ---

7 CHAIRMAN HENDRIE: Only by a general lack of
8 confidence by any legal conflict.

9 MR. CASE: In contrast to the 2.2 man years, the
10 MPS number averaged over the last several years show 8.5
11 many years in the Division of Safety and Standards per OL
12 review.

13 COMMISSIONER GILINSKY: Wait a minute, say that
14 again?

15 COMMISSIONER KENNEDY: As contrasted to 2.2?

16 MR. CASE: As contrasted to 2.2. A factor of 4.

17 COMMISSIONER GILINSKY: Wait, wait, wait. 2.2 has
18 been the assumption for the past several years?

19 MR. CASE: Yes, sir. Per OL.

20 COMMISSIONER GILINSKY: Now, what can you say about
21 what was actually expended over those years?

22 MR. CASE: On the average 8.5.

23 COMMISSIONER GILINSKY: Going back?

24 MR. CASE: Several years.

25 COMMISSIONER GILINSKY: And how do you know that?

1 MR. CASE: '76, '77 and '78 data as I understand
2 it.

3 COMMISSIONER GILINSKY: How do you know that?

4 MR. CASE: We have extracted that from our Man Power
5 Reporting system.

6 COMMISSIONER GILINSKY: You did not know that before?

7 MR. CASE: We knew that it was coming up, but I
8 didn't have all of these numbers ---

9 COMMISSIONER KENNEDY: On a factor of 4?

10 MR. CASE: Yes.

11 COMMISSIONER GILINSKY: Do you mean to say in 1975
12 we were saying 2.2 when it was really 8 something?

13 CHAIRMAN HENDRIE: Not that long ago.

14 MR. CASE: I have the average for those 3 years.
15 Now, I don't have it per year, I'm sure we have it available,
16 but I have the average for those 3 years.

17 COMMISSIONER GILINSKY: So we have been off by a
18 factor of 4 for the last 4 years?

19 MR. CASE: But it has been climbing per year. It
20 heavily weighted by the latter years.

21 COMMISSIONER KENNEDY: Wait a minute. If you have
22 got the average for those years you must have the data? What's
23 the numbers?

24 MR. CRUTCHFIELD: We summed the data over the 3 or 4
25 year period, we looked at all of the data accumulated during

1 that time frame. Not specific year-by-year.

2 COMMISSIONER GILINSKY: So you don't have numbers
3 for '75 and '76 and '77. You just lumped it all together?
4

5 MR. CRUTCHFIELD: Yes.

6 COMMISSIONER GILINSKY: So it may be that it is
7 concentrated ---

8 COMMISSIONER KENNEDY: So it may be all in 1975?

9 COMMISSIONER GILINSKY: Or in 1978.

10 CHAIRMAN HENDRIE: Now, wait a minute. Denny, what
11 years did you include in fact, in deriving the average?

12 MR. CASE: We have more data that would indicate ---

13 CHAIRMAN HENDRIE: Wait, wait.

14 MR. CRUTCHFIELD: The 8 and a half number that Roger
15 used, we took the MPS data from December of '75 up through
16 like October of '77. We looked at the milestones that had been
17 started and completed during that time frame, and from those
18 milestones we went to the 8 and a half.

19 CHAIRMAN HENDRIE: Yes, well ---

20 MR. CASE: This is not to say that we think or Roger
21 doesn't think he needs 8 and a half man years per OL. He thinks
22 with 5 and a half man years he can do the job.

23 COMMISSIONER KENNEDY: That's only a factor of 2.

24 MR. CASE: Only a factor of 2.

25 But that has a significant affect on what we do
these days, because most of our work load is in case work, is

1 operating license reviews.

2
3 COMMISSIONER GILINSKY: Let me ask you: These are
4 your numbers that may have been checked by some other party
5 or organization?

6 MR. CASE: They are being checked. I don't know how
7 far they have gotten, but our books are open.

8 MR. CRUTCHFIELD: We have worked with MIPC on these
9 numbers as well as some of the controller folks. So they have
10 access to them, they are looking at them and they are discussing
11 the numbers with the divisions and the branches and the
12 divisions.

13 MR. CASE: And this is part of the on-going '80
14 budget process.

15 COMMISSIONER KENNEDY: Now, can somebody -- let's
16 make the assumption all these numbers are just right, okay?

17 MR. CASE: Yes, sir.

18 COMMISSIONER KENNEDY: Can somebody explain to me
19 how that could be? What is the difference? Not just
20 assumptions. It couldn't possibly be off by a factor of 4.

21 MR. CASE: Oh, yes, the assumption could.

22 COMMISSIONER KENNEDY: Oh, come on.

23 COMMISSIONER GILINSKY: Sure.

24 MR. CASE: With all due deference to the Chairman,
25 yes. The standard review plants had just been developed.

CHAIRMAN HENDRIE: Since I in fact have some background

1 in the matter, let me point this out.

2 The man power cost per unit work, unit product in
3 NRR derived, for the most part, from work I did in preparation
4 for, I guess it would have been the '74 budget. That would
5 have been carried out in late '72 and in '73 and through that
6 time period and those techniques were necessary and I evolved
7 them at that time because the technical side of the regulatory
8 staff was going through a very substantial increase in man
9 power. There was a very substantial increase in the scope of
10 technical review going on that was on a very steep curve and
11 it was quite difficult to establish any sort of rational system
12 for looking on out a couple of years with regard to man power.

13 We had then a system called, it seems to me it was
14 called the RMS in which people attempted to put down what they
15 had worked on in a given -- we divided the work in the reviews
16 up into discrete chunks. Then you put down for a given case
17 how much time you had put on a certain chunk and so on. The
18 cards were a great pain in the neck to fill out and I was
19 always a little worried about how good the data were, but we
20 used the '72 and up to the time that I produced the numbers,
21 calendar '73 data from RMS to derive what seemed to be the
22 experience in terms of the man power that went in to each of
23 these sub-task in producing the review. Then we gathered up
24 the branch chiefs and got everybody tightly by the throat
25 and established the man power goals for each of those tasks

1 which were based obviously on the experience record, but also
2 reflected some squeezing of the throats.

3 I think by and large in view of the uncertainty in
4 the data and the evolving nature of the review process that
5 they weren't bad, I say with a certain amount of pride. At
6 any rate they were reasonably successful in the reviews for
7 '74.

8 MR. CASE: Now, Roger has gone through that same thing
9 again, just recently and I can have him go through that.

10 CHAIRMAN HENDRIE: The nature of that review
11 process has evolved through '73, '74 and in to '75. We wrote
12 the standard review plans which, although they purported to
13 reflect in fair part what the staff was doing at the following
14 feature: They did fairly reflect what the staff was doing
15 but they reflected what the staff was doing on all the cases.
16 So if you were reviewing a certain area, like the operator's
17 glasses, what you found was that on any given case why they
18 review the left wing or they would review the right wing in
19 considerable detail and not look so hard at the other parts.
20 The standard review plan covers all of the parts of the
21 operator's glasses and that meant that after that time on each
22 review, by following the standard review plan you covered
23 all of the parts in each case.

24 Furthermore, there was a certain amount of leaning
25 forward by the staff in writing the plans. So I'm not surprised

1 that these unit loadings have gone up over time.
2

3 MR. CASE: And we do it branch-by-branch to add
4 up to these figures.

5 COMMISSIONER GILINSKY: The factor of 4 is pretty
6 high.

7 MR. CASE: Can Roger give you some data that shows
8 this ---

9 CHAIRMAN HENDRIE: Let me get Peter's comment.

10 MR. BRADFORD: I need to understand one other piece
11 of that. The standard review plan still provides for an
12 audit type review, doesn't it?

13 MR. CASE: Yes. In the sense that we don't go over
14 all of the applicant's calculations and check everything.

15 COMMISSIONER KENNEDY: It is therefore selective.

16 MR. CASE: Yes.

17 COMMISSIONER KENNEDY: And it is therefore not quite
18 going over the entire range of things.

19 MR. CASE: Well, it is a lot less than not quite,
20 I would say.

21 COMMISSIONER KENNEDY: It is a lot less than not
22 quite.

23 MR. CASE: Yes.

24 CHAIRMAN HENDRIE: It takes some hundreds of
25 engineers some hears to produce the full range of the plant
and we clearly aren't at that level yet.

1 MR. CASE: I would characterize it not unlike the
2 compliance number, 1 percent.

3 COMMISSIONER BRADFORD: It there a quantifiable
4 difference between the general competitive things looked at
5 when you were in the wing of the glasses made in the review
6 compared to what you do not under the standard review plans.
7 That is, if you were doing an audit if one slipped to 2 percent,
8 for all possible items, are you now doing 1 that looks at 8
9 percent?

10 MR. CASE: I suppose. It is probably roughly
11 lineared with the increase.

12 CHAIRMAN HENDRIE: I think the inevitable nature of
13 the standard review plan -- well, in the days when we were
14 doing custom reviews on the basis we were doing them in '73 and
15 '74, here would come a series of Westinghouse plants, for
16 instance, and there were a number coming -- the house was full
17 of these things, and so the first one that came along you
18 seized the right wing of the glasses, looked hard at that and
19 said, well, the rest of this looks okay, I won't look so
20 much at that and that went down the line and right behind it
21 for the reviewer, literally a week later or two weeks later or
22 something like that, why here came another one and now he
23 grabs the bridge. He has already got a good idea about the
24 right wing, now he grabs the bridge and son on.

25 You get the standard review plan and the staff now
has to face coming up to a hearing and being asked, have you

1 conformed to the standard review plan on this particular
2 application since the review plan enumerates the whole set
3 of glasses, they have to be able to answer yes, we followed
4 the standard review plan. Otherwise, you get a certain amount
5 of trouble in not following your own instructions.
6

7 COMMISSIONER KENNEDY: Precisely what does he do
8 now, taking that pair of glasses, for example?
9

10 MR. CASE: Conforms to the standard review plan.

11 COMMISSIONER KENNEDY: Well, I understand that.

12 MR. MATTSON: Conforms to the standard review plan,
13 and the degree to which he spends time in conforming with the
14 standard review plan depends upon several things.

15 One, how many of those plants of that type has he
16 reviewed before or has the branch reviewed before. Two,
17 how contested is the hearing, that is, how many of the issues
18 in the standard review plan have been raised outside of the
19 staff that he knows that he is going to have to provide a
20 specific answer to. What's the recent operating experience,
21 what has he heard about that he thinks he had better check
22 in this plant. And of course, that's subject to a lot of
23 influences too, up and down the management chain, various people
24 will say, I have an interest in this on this plant and tell
25 the reviewer to check it on this plant and not to miss it.
This process is described at the beginning of the standard
review plan and it is not precise. It is flexible. I think

1 the result you have seen over the last several years with
2 the hightened public interest in the process we are
3 performing and the hightened contention in hearings and a
4 rather negative experience with operating plans has caused it
5 to go up.

6 COMMISSIONER GILINSKY: Is there really an increase
7 in the number of contested hearings over the past few years?

8 MR. MATTSON: I have a chart that shows some trend
9 information, I think that goes to your question. Ed, could
10 you hand that around, please.

11 (Mr. Case distributed the reference chart.)

12 COMMISSIONER GILINSKY: Let me ask you another
13 question: Isn't there some increase in efficiencies of having
14 a standard review plan?

15 MR. CASE: It shows up in not so great a change in
16 the CP reviews. My problem is with the operating license
17 reviews which were not reviewed ---

18 COMMISSIONER KENNEDY: It is only a factor of 4, that's
19 the efficiency.

20 MR. CASE: --- in accordance with the standard
21 review plan at the construction permit stage, but must be
22 reviewed against it because that is the only way people now
23 review at the OL stage.

24 CHAIRMAN HENDRIE: I think there --- I think a
25 considerable part of the difficulties at hand at the moment in

1 terms of time spent on these OL reviews derives from the
2 fact that you are reviewing them on the basis of a fairly
3 rigorous review standard, namely, the review plans. These
4 are plants for which the construction permit review was done
5 at an earlier time, a time proceeding standard review plans.
6 That is, we haven't gone far enough along the time so that
7 the OL applications are for plants where the construction
8 permit review was done on the basis of the standard review
9 plant.

10 MR. MATTSON: Or even some cases where the OL review
11 started before the standard review plan and is still on-going.

12 CHAIRMAN HENDRIE: So you have got a set of operating
13 licenses where the review is of necessity being done to this
14 more recently evolved higher standard and it gets -- they are
15 having to go back and to look at things which weren't dealt
16 with in the same way at the construction permit review time and
17 doing an awful lot of retreading, I find. This is a temporary
18 stage, but has a lot to do, I think, with the very high numbers
19 in unit man power costs in each review.

20 MR. MATTSON: If you could look at this chart for
21 just a second and let me explain it in words.

22 It is man days plotted on the left, hundreds of
23 man days and the stage of review completed. So it is like
24 a bar chart. You see the docketing, their first round of
25 questions, second round of questions, SER, Safety Evaluation

1 Report, the SER Supplement, and finally, issuance of the
2 operating license.

3 We took the 22 operating license cases which have
4 been docketed since July of 1972 and assigned 1 point per
5 case. That point is the total number of man days expended by
6 my division through whatever step in the licensing process
7 that case had reached as of March 1 of this year, and plotted
8 it on this chart. Then when we plotted the point we put a
9 date which corresponds to the date of docketing.

10 If you look at the far righthand side of the chart
11 you will see the early docket dates. They start up 8/72, 2/73,
12 10/72, 3/73 and they cluster at the dotted line. That's the
13 503 man days which derives from the previous man power loading
14 factors. Which is 2.2 man years per DSS.

15 CHAIRMAN HENDRIE: That is either exactly or very
16 close to the unit cost charts that go back to ---

17 MR. MATTSON: That is your chart.

18 That dotted line is the previous estimate used in
19 the '77, '78 and '79 budget process. Now, generally, as the
20 docket date comes forward in time the data points move upward.
21 You can see there are some exceptions to that general statement.

22 The ones I want to concentrate on are the ones near
23 the top of this chart, the one highest at the top, ANO 2,
24 Arkansas Nuclear One, Unit 2; North Anna Units 1 and 2,
25 Diablo Canyon Unit 1 and 2; Patch Unit 2. Cook is an estimate
because it started so long ago that part of its review preceeds

1 the MPS data.

2 Those are the plants which dominate the man power
3 data for the last year and a half. If you look at those
4 plants you can speak to novel features of the design or novel
5 features of the review which cause them to be out of proportion
6 to other on-going reviews. ANO 2, approximately 1500 man
7 days of that review are owing to the computer used in the
8 protection system for that reactor. First of a kind, no one
9 ever used it before, it was added between the CP and the OL.

10 North Anna, I don't think I need to recount the
11 difficulties in that review. Diablo Canyon, similarly.

12 COMMISSIONER GILINSKY: Does that mean there are fees
13 below that factor report?

14 MR. CASE: Yes, indeed, because to my knowledge
15 that is the first time I have publicly expressed my concern
16 over this. We talked about the fee schedule and I indicated
17 that our current estimates were at least a factor of 2 higher
18 than the fee schedule, which is based on these previous numbers.

19 MR. MATTSO: I want to explain the dark line, just
20 briefly.

21 That is the line that we will be coming forward with.
22 Mr. Case hasn't reviewed it or the BRG hasn't review it yet, but
23 it is the line I'm proposing for the new man power loading
24 factors for DSS for the fiscal '80 budget.

25 COMMISSIONER GILINSKY: That's the 5 and a half line?

1 MR. MATTSON: That's the 5 and a half line.

2
3 The numbers in the man years somehow don't look
4 right, but that's the right line.

5 COMMISSIONER GILINSKY: To what extent, in your
6 judgment have these numbers grown because they should have
7 grown, and to what extent is it because things were not as
8 firmly in control as they should have been?

9 MR. MATTSON: I want to talk about some other data
10 that I don't have a sheet in front of you to answer that
11 question. For the CPs and for the Standard Plants the change
12 is not large, and in fact, for the standard plants the total
13 man years per plant review is considerably down from the
14 previous estimates, not up, down. And those are part of our
15 budget presentation for fiscal '80 and they will stand the
16 test and eventually reach you. I don't happen to have the
17 chart. I drew the chart because it is more germane to today's
18 conversation of what's dominating my resource needs in DSS
19 today.

20 The standard review plan worked for construction
21 permits, they went up slightly above the previous estimate.
22 It worked like gang-busters for the standard plants as they
23 are down. The assumption in '74 was that a standard design
24 offbalance of plant and NSSS. If you took the two of them
25 the total man days put in to it would be like four times a
custom review. In fact, it is coming out a little over two

1 times. So we have almost got a factor of two out of the
2 standard review plan over the previous estimates derived in
3 much the same way with very sketchy MPS data in the early
4 '70. No operating license experience with 1,000 megawatt
5 machines, these are the first ones. And no experience with
6 trying to make a finding for each of these plants in the later
7 years as to how they stack up against a standard review plan
8 when they were never designed against a standard review plan
9 and never previously reviewed against a standard review plan.

10 That's what is dominating my resource needs today
11 and this chart shows it.

12 CHAIRMAN HENDRIE: I guess you would regard the
13 CP and standard plant experience as indicating that if they
14 were not reasonable management control of the review process
15 then those portions of the would have had substantially
16 increased unit man power costs as well as the OL work?

17 MR. MATTSON: That is implicit in what I said,
18 although here is another big effect and that is the large number
19 of outstanding generic issues, the 44-As, 100Bs and Cs,
20 whatever those numbers are.

21 At the construction permit stage, when you are
22 using a standard review plan where there isn't a final
23 resolution of those generic issues, usually what is done
24 is to obtain a commitment from the applicant to resolve --
25 to take whatever the resolution is of that generic issue and

1 meet it at the OL. We obtain that commitment, we close the
2 book on that issue and issue the construction permit.

3 MR. CASE: And that doesn't take much review effort
4 to do just that.

5 MR. MATTSON: At the operating license stage it is
6 a little bit different.

7 You have got an open generic issue. It wouldn't be
8 something of interest to you if you didn't have safety impli-
9 cations. So you have to reach some basis at the operating
10 license for issuing the license, allowing the plant to go
11 in to operation while you hold the book open on the longer
12 term generic issue. That is, you find some interim approach
13 on each of these outstanding safety issues. It is much like
14 the job that Vic Stello has day in and day out with operating
15 plants, that is, deriving an interim basis for continued
16 operation pending completion of the generic issue. That is
17 another factor which is a large cause of these protracted
18 operating license reviews.

19 MR. CASE: Now, let me answer your question another
20 way, Commissioner Gilinsky.

21 If you look at the individual branches in Roger's
22 shop and Harold's shop that make up these totals, you will
23 not find that the increase is uniform among the branches. Some,
24 in fact if I remember the number from Harold's shop, only 2 out
25 of the 6 in the safety review have increased over the '73

1 numbers. Is that right, Harold?

2 MR. DENTON: Yes.

3 MR. CASE: So it is branch-dependent and it is
4 area-dependent and therefore, I think, technicalologically
5 dependent as to why they have gone up so much.

6 Another measure of this, I believe, that have some
7 validity is this GAO report on the nuclear power plant licensing
8 need for additional improvements. As a part of that study
9 GAO surveyed the individual staff members by questionnaires
10 an they were done anonymously in a professional way and the
11 answer that they received, which is germane to this question
12 concerned whether the time schedules affect the reviews in
13 the very branches in Roger's shop. Fifty two percent of
14 those asked said that they moderately limit the scope and
15 depth without excluding the important safety aspects. Ten
16 percent substantially limits the scope and depth to the extent
17 that important safety aspects cannot be reviewed, and 4 percent
18 said they limited their ability to deal with post-construction
19 permit problems.

20 So some two-thirds felt that there was a limitation
21 put on the scope and extent of their review by the standard
22 review plan, by the schedules, so that if you look at other
23 questions that they were asked they conclude that notwith-
24 standing this limitation they think the plants are safe because
25 of the overall conservatism inherent in nuclear power plant
designs.

1 I would read this -- this is my personal opinion --
2 as a pretty good report card on how well we as managers are
3 doing when the pressure is on but not enough to push the
4 cart before the horse or -- I think it is about right.

5 CHAIRMAN HENDRIE: In view of the time, what I would
6 like to do is to have Bill summarize the rest of the
7 proposition here very briefly and then ---

8 MR. CASE: Could I just say a few words -- we have
9 got a bit in to the operating reactor side and the amendment
10 question.

11 We do have a problem there. Our backlog of operating
12 license amendments is increasing and we have man power data
13 to show that people are working in the operating reactor
14 area in the proportion that was set forth in the budget.
15 And all this means to me is there is more work there than we
16 budgeted for with the backlog of amendments increasing.

17 If one would use the -- I'll call it conventional
18 approach in taking care of these amendments the man power
19 requirements that would come out of that for fiscal year '80
20 and for the future would be quite, quite high. I think a
21 better approach to that problem which I would like some
22 resources to address now, is to get out of, as much as we
23 can, to reduce the backlog and the future backlog by changing
24 our way of doing business so that we don't have that many
25 amendments that we have to act on. And that, I believe, ought

1 to be done in that area now to avoid problems for '79 and
2 '80 and beyond if we continue with our present approach in
3 this area.

4 Bill, go ahead.

5 CHAIRMAN HENDRIE: A quick summary if you would, please.

6 MR. DIRCKS: Well, a quick summary is that out of
7 the 43 positions that NRR requested, and again you have to
8 keep in mind this was a short-term, six-month insert of personnel.

9 COMMISSIONER KENNEDY: Where would you get a short
10 term search from 43 personnel?

11 MR. DIRCKS: I think that is the important point,
12 Commissioner.

13 These are not just slots that are being requested.
14 These are not just vacancies. These are specific skills that
15 they need to process specific cases.

16 COMMISSIONER KENNEDY: I understand that.

17 MR. DIRCKS: I think what we have to do is go and
18 screen the rest of the agency and take a look at other
19 offices, not only within NMSS, but throughout the Commission
20 to see if we can identify skills and try to pry these people
21 loose after looking at the impact of what transfers might
22 occur under this program and get them in to these jobs.

23 MR. GOSSICK: Let me give you an example of this
24 kind of thing that I think we have got to take a hard look at.

25 Suppose that the systematic review plan, maybe if we

1 just slide that six months, not the provisional license,
2 we probably ought to go ahead with those, but by slipping
3 the rest of it six months we could free up a fairly sizeable
4 number of probably the right kind of people. It is something
5 we need to look at to see whether that makes sense and bring
6 it back to you and see if the priorities would seem reasonable
7 and I don't know that will wash or not, but it is the kind
8 of thing we have got to look at across the board. Find the
9 right kind of people to put on this thing.

10 CHAIRMAN HENDRIE: And there are people who have
11 these skills to a greater and lesser degree in other offices.

12 MR. DIRCKS: Some of these people are servicing
13 requirements in other offices that Ed might have laid on them
14 a year or two years ago. I think we need your help to
15 identify what services you may not need at least for the next
16 year or so and that may free up resources too.

17 MR. CASE: Right.

18 MR. DIRCKS: To get down to the 23, we did not give
19 any relief in the decommissioning risk assessment and advance
20 reactor portion of the request. I think we discussed that
21 with you, Ed, and I think you can live with that with pain.

22 MR. CASE: Well, I must say very frankly what it
23 means is that I won't do them if that is the connotation to
24 live with it, I think these other prior needs are of much
25 greater priority.

1 MR. DIRCKS: I think we have gotten some help
2 all ready in the decommissioning area that could enable that
3 program to go on right now.

4 As far as tech projects go, we felt of the 6 positions
5 requested, 6 should be granted because of the build up of
6 tech projects and also generic issues.

7 MR. CASE: These are for specific category A
8 technical activities that are not now progressing because of
9 the man power is not available, the specialized man power.

10 MR. DIRCKS: And in our memo I think we identified
11 some, the due dates and the possible slippage of some of these.

12 COMMISSIONER KENNEDY: I hate to recall this,
13 it was possible for '79, but we had a clear and unquestioned
14 commitment there, it must have been for '79, that the resources
15 being provided, the result of that extra service was going to
16 provide a certain specific delineated number of dedicated
17 people, dedicated to the generic issue question.

18 MR. CASE: Yes, sir, and if I look at my -- oh, '78
19 at least -- the number of man years that I programmed for
20 generic technical activities and those that have been
21 actually spent, those numbers are within a wash. I am meeting
22 those commitments, some of them, but I don't have the bodies
23 to work on them. So I am putting the man power in, but some
24 of the critical ones I can't move because of the need to use
25 these people in operating license reviews and that is a

1 higher priority need, in our judgment.

2 COMMISSIONER KENNEDY: This paper says that NRR
3 requested 6 professionals for specific disciplines for a
4 six month period to maintain current schedules on Category A
5 past action plans. Little or no effort is being extended upon
6 these issues because man power has been diverted to higher
7 priority tasks such as this one.

8 MR. CASE: On those particular ones.

9 COMMISSIONER KENNEDY: Oh, only the specific ones?
10 I had gotten the distinct impression we were talking about
11 Category A and past action plans.

12 MR. DIRCKS: Not all on these specific cases here.

13 COMMISSIONER KENNEDY: Only these 6?

14 MR. DIRCKS: That's the feeling that we got out
15 of BRG.

16 CHAIRMAN HENDRIE: Yes, according to one sheet you
17 provided me here, your belief is that at the moment you have
18 got something in the whole shop the equivalent of 200 people
19 working on technical projects.

20 MR. CASE: Right.

21 And the MPS data shows ---

22 COMMISSIONER KENNEDY: Do we have a copy of such
23 data?

24 MR. CASE: No.

25 MR. MATTSON: That's not all generic Category A. You

1 have to be careful when you draw the distinction ---

2 CHAIRMAN HENDRIE: Yes, the whole range of technical
3 projects, but it does reflect it for that category of work,
4 type of work in the organization of what was projected to go
5 in to it and what seems to go in to it.

6 MR. DIRCKS: The Denton Task Force Report, as you
7 recall, laid out not only a process to increase the efficiency
8 of licensing and based on that was certain needed tasks. For
9 example, the upgrading of the standard review plan. We
10 believe that the addition of 6 people to this effort would be
11 worth while, not only to get some action done on the Denton
12 Task Force Report, but also to lay the groundwork for
13 improved processes in the licensing effort down the track.
14 We think the improvement of this thing is essential.

15 In the case work area, we looked at the 15 that were
16 requested. We did an analysis which is contained in the
17 paper and the chart attached to our memo to Lee, where we
18 think that some of these slips that were identified by and
19 could be tolerated because of some slippage in fuel loading
20 dates and so on. But we think out of the 15, 11 additional
21 people would be required to meet the essential due dates that
22 we have outlined in that chart.

23 CHAIRMAN HENDRIE: If I can go on and try to clean
24 up so that the Commissioners can at least get a chance at
25 lunch before we gather on what may be fully as difficult a

1 subject in another area this after noon.

2
3 Lee, you reviewed the Budget Review Groups calling
4 out and recommended that in the categories where the
5 Budget Review Group had believed that indeed some additional
6 resource was needed, that you would recommend the people
7 requested by the office rather than reduced amount, so it is
8 30 instead of 23.

9 MR. GOSSICK: I would like to just say where I would
10 think that there might be some basis for that.

11 I guess first of all, I am a little nervous about
12 this six month commitment. I don't want to be too tight nor
13 too generous either, for that matter, but I want to make damn
14 sure that that six month commitment is made, when we put these
15 people we can look forward and track it and we are going to
16 have to track progress and make sure that we get the job done
17 that we say we are going to do with this application of
18 resources.

19 I think that ---

20 COMMISSIONER GILINSKY: Is it really realistic to
21 talk about six months? I mean, you get somebody in for six
22 months and there is a certain start up time.

23 MR. GOSSICK: Well, this depends again in getting
24 people that are sort of already running, that is people that
25 are perhaps doing other things.

CHAIRMAN HENDRIE: But six months is not a precise

1 definition of the time. It is a characteristic time in the
2 sense that it is six months rather than two years or permanent.
3 But whether it turns out to be six months or eight or something
4 like that, I think we have to understand that that is slack.

5 COMMISSIONER KENNEDY: The importance is what affect
6 it is going to have on '79.

7 MR. GOSSICK: Yes, that is exactly right.

8 COMMISSIONER KENNEDY: I guess I didn't see that yet.

9 CHAIRMAN HENDRIE: Let me make a recommendation to
10 the Commission here in hopes that we can summarize the meeting.

11 I have been considerably concerned about and looking
12 at the licensing schedule meetings. What I discern is that
13 there has been steady slippage down the line in those affairs.
14 Each month as I review those things, why there seems to be
15 darn near a month slippage of cases. So there has been
16 evidence quite apart from the current exercise, to me, that
17 some sort of regathering and application of resource was
18 going to be needed to provide some momentum to the system
19 and get it moving effectively forward; the current exercise
20 focuses in some more detail on both the causes and the need.

21 It seems to me well within the agency's capabilities
22 in principle, at least, to recognize the need for a strong
23 effort of a limited duration of less than a year to provide
24 necessary impetus, get some things done, provide some
25 momentum in an area which is the central and an essential part

1 of the agency business.

2 Now, it means that the offices that would be asked
3 eventually to surrender specific people have a certain amount
4 of pains and it means an impact on the things that they are
5 doing and that is very clear. Nevertheless, it seems to me
6 that out of the spread with this staff, we ought to be able
7 to marshal up some resources which in number constitute
8 something like a fraction over one percent of the total staff
9 and gather them in.

10 What I recommend to the Commission is the following:
11 This has been a useful discussion of the problem, an intro-
12 duction to the problem. Whatever recommendation, the BRG
13 document, recommendation from the EDO and there has not been
14 a look on the staff side at where the resources might gather
15 from and what the impacts might be; I would recommend that
16 we ask the BRG and the EDO to go forward and make some surveys
17 and see where the resources might lie and at the same time they
18 can also look again at ---

19 COMMISSIONER KENNEDY: With an impact analysis.

20 MR. GOSSICK: Oh, yes.

21 CHAIRMAN HENDRIE: Yes, it is essential that we know
22 what to give up in order to do this and so on.

23 And they can also look again at the proposed numbers
24 here, because I am not convinced that all of these have been
25 precisely the right numbers of people here. In fact, my

1 impression would be if we are going to try to gather a force
2 together and make an assault on these problems and make a
3 useful dent in it that I would prefer to error a little bit
4 on the high man power side than the low and have the effort
5 just not quite make it. I would much rather have it over run
6 its objective a little bit than under run it.

7 So I recommend that we not take any thought of
8 definitive action here, but with your agreement would ask
9 EDO and the BRG and the other offices concerned to go forward
10 on that basis and come back as soon as they reasonably can.

11 COMMISSIONER GILINSKY: With a plan. We are not
12 sending out the press gangs just yet.

13 CHAIRMAN HENDRIE: No, that's right. The Shanghai
14 operations won't start until a whistle is blown and I
15 believe we possess the whistle.

16 COMMISSIONER BRADFORD: I agree with that as far
17 as it goes. I do have some other questions and I would make
18 it easier by putting them down and shipping them out to Lee and
19 Ed for their answers.

20 CHAIRMAN HENDRIE: Yes, or you may want to ask them
21 to come in and discuss them with you if that would be easier.

22 COMMISSIONER BRADFORD: They are in the direction of
23 getting, at least to me, a better understanding of how the
24 Commission, like this ops thing here, might want to keep a
25 tighter handle on the year in and year out estimates.

1
2 CHAIRMAN HENDRIE: That's right. There are
3 implications here for the future operation of the agency in
4 these impacted areas which we haven't really addressed. That
5 is we are talking now about a temporary task force effort to
6 get over an immediate problem, but the problem won't go away,
7 it will reoccur and it is the matter of dealing and cutting
8 off that reoccurrence is a longer range aspect than -- we are
9 going to have to deal with it. It is very important.

10 COMMISSIONER GILINSKY: I wonder if we could have
11 a tentative look at these numbers by Norm Haller ---

12 MR. CASE: He is, he's doing it now.

13 MR. GOSSICK: Yes, he and Steve Hanauer, and
14 Len Barry and others are going to do it.

15 CHAIRMAN HENDRIE: Okay, thank you very much.

16 (Whereupon, the meeting was concluded at 12:40 noon.)
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