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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

ALL EMPLOYEES MEETING ON "THE GREEN" PLAZA
AREA BETWEEN BUILDINGS AT WHITE FLINT

PUBLIC MEETING

Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland

Thursday, October 17, 1996

The Commission met in open session, pursuant to notice, at 10:40 a.m., the Honorable SHIRLEY A. JACKSON, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

SHIRLEY A. JACKSON, Chairman of the Commission
KENNETH C. ROGERS, Member of the Commission
GRETA J. DICUS, Member of the Commission
NILS J. DIAZ, Member of the Commission
EDWARD McGAFFIGAN, JR., Member of the Commission

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P R O C E E D I N G S
[10:40 a.m.]

MRS. NORRY: Good morning.

Welcome to the sixth annual All Employees Meeting at the NRC. Back in the early days of this gathering, some of you may recall we had to have it at downtown hotels and now we are lucky to have a beautiful campus and a beautiful location and beautiful weather, which was arranged for you by the Office of Administration.

[Laughter and applause.]

MRS. NORRY: After the Chairman speaks, we will have questions from the audience. You will notice that there are microphones spread around. The regions and the resident sites are plugged in and those questions will be relayed by our reliable Sue Smith and James Heck, stars of former years.

We may have some press here and we welcome them but we ask that the questions be limited to those from NRC employees; this is an employee meeting.

Now I would like to introduce Chairman Jackson, who will introduce her fellow commissioners.

CHAIRMAN JACKSON: Good morning everyone. Can everyone hear me?

VOICES: Yes.

CHAIRMAN JACKSON: Thank you.

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Now, on behalf of my Commission colleagues, I want to welcome you to this special meeting of the Commission with the NRC staff. These All Employee Meetings have been held annually since 1991 and are intended to facilitate communication between the Commission and individual members of the staff and to enable employees to become better acquainted with newly appointed commissioners. Today's meeting serves both of these purposes.

Before I launch into the more formal parts of my remarks, I want to thank very much Mrs. Norry and the Office of Administration, particularly for the weather.

Because this is the first All Employees Meeting in some time in which we have had a full five-member Commission and since many of you may not have had the opportunity to meet all the members of the Commission, I would like to introduce my colleagues to you.

On my immediate right is someone all of you know and you know him well, Commissioner Kenneth C. Rogers, who is serving his second five-year term as commissioner and as dean of the corps.

COMMISSIONER ROGERS: Didn't know that.

[Laughter.]

CHAIRMAN JACKSON: He previously served as president of the Stevens Institute of Technology.

On my immediate left is Commissioner Greta Joy

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Dicus, who previously served the state of Arkansas as a commissioner and as Chairman of the Central Interstate Low-level Radioactive Waste Commission among other activities

and, in fact, was a member of the board of directors of the U.S. Enrichment Corporation.

On my far right is Commissioner Nils J. Diaz.

Dr. Diaz came to the NRC from the University of Florida, where he was a professor of nuclear engineering sciences and director of the innovative Nuclear Space Power and Propulsion Institute.

And, last but not least, on my far left is Commissioner Edward McGaffigan, Jr., formally a senior advisor to U.S. Senator Jeff Bingaman of New Mexico and a member of the U.S. Foreign Service for seven years.

All of us have been looking forward to this meeting with you and the opportunity to have an interchange. Our format today will be the same as that used for our session last year.

Following my opening remarks, the Commission will entertain questions from NRC employees here on the Green as well as from our regional and field offices, which are connected to us by open telephone lines. And, again this year, we will be holding the second session of this meeting this afternoon at 1:30 p.m., since we have insufficient space to accommodate all of our employees here in a single

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session.

I want to remind all of you that this is your meeting. The agenda will be determined by your questions. This is your opportunity to ask us the questions you would like to have answered.

I strongly encourage each of you to participate actively and to be candid in expressing your concerns. The Commission needs to know what your concerns are if we are to be effective in directing agency policy and you need to hear our responses so that you can be effective in carrying out your responsibilities as members of the NRC staff.

My Commission colleagues and I will respond to your questions to the best of our abilities based on our understanding of your concerns as well as our individual perspectives on those concerns. This informal exchange of views is our sole reason for being here this morning.

Before I turn the microphones over to questions, however, I would like to take a few minutes to outline for you my assessment of what we have accomplished in the year since our last All Employees Meeting and where I think we, as an agency, need to be moving in the future.

As you will recall, shortly after becoming Chairman, I described my early impression of the NRC as an excellent technical organization that was finding itself subject to an internal and external environment undergoing

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rapid change. In light of the strong impact of this changing environment, I suggested that it seemed inevitable that the NRC would have to change as well if we were to carry out our regulatory responsibilities successfully.

In retrospect, I think the picture I drew last year was reasonably accurate. The agents of change were very busy in the past year. Competitive pressures and economic deregulation did have a strong impact on the nuclear industry and that industry has begun to react, somewhat tentatively to be sure, by consolidating its activities and merging to form new, larger operating entities. And I am primarily talking about the electric utility industry.

Interestingly, one of the first such mergers took place right here in our own backyard, so to speak, when Baltimore Gas and Electric and PEPCO announced their plans to merge. In the meantime, several state public utility commissions, some of the most active agents for change, have begun to define rather precisely the responsibilities that existing utilities and new entities in the business of producing and distributing electric power will have in a new competitive local area marketplace.

The U.S. Congress, always a source of new concepts, ideas and plans affecting the regulatory agencies, including the NRC, has had a fairly broad agenda of energy-

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related legislative proposals to consider this year and can be expected to maintain its strong interests in such matters next year, no matter what the outcome of the November elections.

At the NRC, we have been busy reacting to change and to challenge over the past year and I think we can be proud of what we have accomplished. We have continued to carry out our regulatory mission of protecting public health

and safety and to maintain our fundamental regulatory activities despite continuing budget restrictions and the national effort to reduce the size of government.

Sometimes, when we look at ourselves and our budget, which has been shrinking, we think of ourselves as a small, not-so-important agency. However, if we look at the importance of our mandate, namely adequate protection of public health and safety and the environment and the common defense and security in the use of nuclear materials in the United States, and if we look at the scope of that responsibility, together with the net capital investment in the range of activities that we regulate, our importance is very great indeed.

Potential new activities will give even greater weight to what we do at a time when significant changes are occurring for those we regulate. I believe that we have taken significant steps to position ourselves for future

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change.

Last month, we issued a draft policy statement on economic deregulation of nuclear power plants outlining our concerns about the adequacy of decommissioning funds and the potential impact on reactor operational safety. Our relationship with the Department of Energy is rapidly being redefined. As you know, the Department has requested NRC involvement in its pilot project to develop a high-level radioactive waste solidification system at Hanford, Washington, in order to facilitate possible NRC licensing of a privatized Hanford facility soon after the year 2000.

During fiscal year 1997, NRC will begin the development of an overall review strategy to be made available as guidance for potential DOE contractors at the site. Also in FY 1997, the NRC will begin assisting DOE through a memorandum of understanding in evaluating alternative approaches to tritium production. One alternative under consideration by DOE for evaluation is the production of tritium in commercial light water reactors. The NRC will be evaluating potential policy issues and licensing requirements to implement this approach.

Possibly even more far-reaching, we are being considered for a major role in the oversight of DOE's nuclear activities more broadly. Such an increase in our regulatory responsibilities to encompass DOE facilities if

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adopted by the Congress would require adequate resources and sufficient time to develop a sound regulatory program.

Finally, we intend to assume regulatory oversight of the operations of the U.S. Enrichment Corporation by March 3, 1997, as well.

On the international scene, the Convention on Nuclear Safety negotiated over a three-year period by representatives from over 65 nations will enter into force on October 24, thereby helping to ensure a safer global environment. In the United States, ratification of the treaty which the U.S. and the NRC in particular had major roles in developing, is currently before the Senate and we hope to obtain early Senate approval in the new Congress.

We are also finding international support for my proposal to establish an international nuclear regulators' forum in which nuclear regulatory officials from all over the world can exchange views, coordinate approaches and harmonize arrangements for the safe and secure use of nuclear energy for peaceful purposes.

Finally, within the agency, we have made significant progress in our strategic assessment and rebaselining initiative. Although I will have more to say about this in a few minutes, I want to note here that the issue papers are out for public and NRC staff comments and we intend to be in a position to reach final decisions on

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them in the December/January time frame.

While we have been busy preparing ourselves for future changes, we have also continued to improve our existing major safety programs. In the reactor area, we are expanding our use of probabilistic risk assessment to ensure that the Agency's resources and activities are focused on the issues that are most important to safety. We have modified our processes for evaluating nuclear plant performance and we are taking steps to improve our program for protecting allegers against retaliation.

In the nuclear materials and nuclear waste areas, we have improved our cooperation with the states on regulation of radioactive material. We have streamlined our

materials licensing and inspection processes. We have adopted a new, performance-based licensing approach with respect to uranium recovery facilities and we have started a process, initially with respect to our medical program, to evaluate whether our materials program standards and regulations are appropriately focused on the health and safety issues of significance for these licensees.

In research, we are focusing our efforts on PRA, on understanding the reactor component aging process and on consolidating our efforts on thermal hydraulics into a comprehensive long-range plan.

Now, I have covered a lot and, taken together, all

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of these efforts represent a significant attempt to improve our performance and to adjust to changing circumstances and we, as an agency, have much to be proud of in our record over the past year. I certainly am proud of our accomplishments and our efforts to be ready to address the new responsibilities we may take on during the next twelve months and beyond. And I think each of you should take pride in the individual roles that you have played in the overall effort.

Now, unfortunately, much of what we have accomplished has been seriously overshadowed by events in New England. The Millstone and Connecticut Yankee plants are likely to leave in many people's minds a more permanent stamp on the record of the last twelve months and to characterize the performance of the NRC far more than any of the numerous accomplishments I have described over the same period of time.

In part, this result is only to be expected. The role of the regulator is a difficult role to play. Those of you who are sports fans or have participated in a formal debate know how much more difficult it is to maintain a defensive posture than it is to mount an effective offense, since the latter requires only a plan for a single course of action and some ability to actually carry it out while the former, the defensive posture, must have effective plans

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against all possible contingencies. Regrettable as it may seem, it only takes one event to call into question the ability or willingness of a regulator, an umpire, a referee or a traffic cop to accomplish his or her mission.

Yet it would be a serious mistake on our part to dismiss the events at Millstone in particular as presenting merely an interesting set of technical problems that will ultimately be addressed and resolved with time and a certain amount of increased attention on the part of the NRC. As I noted last March when I addressed all of you about the Time Magazine article about the Millstone situation, if we honestly assess the performance of the utilities in question and our own performance, we would agree that not all aspects of nuclear operations and nuclear regulation are as they should be, despite all of our efforts to the contrary. And although we have much to learn yet about the situation at Millstone and it would be premature to state totally full conclusions, we do know enough about the conditions at the plants to begin to ask ourselves some thought-provoking questions about whether we have succeeded in establishing the safety culture we have been trying to establish throughout the industry, whether we are succeeding as well as we should in anticipating problems in advance, whether we are asking ourselves the right questions about the way we have done things in the past or are doing them now and

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whether NRC personnel both in headquarters and on site, in evaluating licensee activities are sufficiently familiar with regulations and requirements that apply to the specific activity being carried out.

When I look at the recent events at Millstone, I see two broad decisions that, if we could go back and change, we could. We should have put more NRC resources on discovering the problems at Millstone at an earlier stage and possibly turned the facility around prior to its reaching its current state. The other is that perhaps we stopped doing design-basis inspections too early and we relied on industry to address the problem without maintaining an appropriate regulatory focus to assess whether, in fact, they were dealing with the issue in a timely manner.

Now, this is not to say -- this is very important -- this is not to say that we cannot rely on industry. We have to, because they are responsible for the

safe operation of their facilities. However, it is our responsibility to regulate them, to set appropriate safety requirements and to insist upon compliance with existing requirements. We cannot delegate regulatory responsibility to the industry.

Now, I want to address a few remarks toward our expectations of licensee performance and the emphasis of our

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own regulatory oversight. I see real danger in our becoming ensnared by false distinctions between safety and compliance in our regulatory program. In fact, the concepts are bound tightly to each other.

A licensee's compliance with our regulations and license conditions is fundamental to our confidence in the safety of licensed activities. As I have said any number of times, if there are requirements on the books that do not have to do with safety, we should remove them through the well-established processes to make such changes. That is important because it is untenable, as a regulatory agency, to imply that regulatory requirements can be ignored.

I recognize that, as an agency with limited resources and staff, we must make informed choices in applying our resources to the most safety-significant activities or challenges requiring our oversight. This drives the importance of a risk-informed approach to regulation. By focusing our resources on those significant issues and maintaining high expectations for licensees' adherence to existing requirements until and unless they change, we will strengthen the quality of our oversight and public confidence in it and we will enhance consistency and objectivity in our evaluation and enforcement and thereby help to ensure fairness to all.

Of course, an event like Millstone quite obviously

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suggests the need for change, change in the industry as well as change at the NRC, and we should welcome the opportunity that Millstone affords to correct and improve our performance as a regulatory body responsible for protecting public health and safety. I have concern, however, that some of you may view any suggestion for change as a criticism of both your personal performance and the agency's overall performance.

I personally believe that such a view is mistaken, for any organization must change over time and in response to the challenges of the moment. We are, in fact, in effect, learning as we go and Millstone provides a timely lesson for us. In fact, change and learning are built on the foundation of the past. That is what we have been doing all the time.

I especially want to make it clear to you that I recognize, and I have said it on many occasions, that NRC is a highly competent technical agency that employs many extraordinarily gifted and dedicated people. What we need to do is to work together to continue to have a strong, respected organization and an important part of working together is communicating clearly with others and listening carefully and attentively to what is being communicated to us.

Communications and improvements in how we do

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business are also the key features of our strategic assessment and rebaselining initiative at this stage of its evolution. As you know, issue papers have been published for comment and we will soon be holding a series of meetings across the country to obtain comments from the general public and other stakeholders. We are also especially looking forward to hearing from each of you in that process.

I know many of you are concerned about the impact of strategic assessment and rebaselining on your own careers, on your own jobs but I want to assure you that, to date, we have only made preliminary decisions on the issue papers. We are counting, in fact, on your input to help guide us in making final decisions and we want you to identify any and all concerns that you may have. Be candid, be straightforward, be thoughtful but, by all means, provide us with your comments.

In that regard, I want to draw your particular attention not just to those issue papers that may directly impact your job but to Issue Paper Number 23 as well. It is one entitled Enhancing Regulatory Excellence, which is directly applicable to the issues I have discussed today and to the general direction of the Agency. We welcome your comments on what you see as the major problems affecting the

agency and any solutions you may care to offer.

Now, I would like to turn the meeting over to you

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and I would ask each of you who wishes to speak, to ask a question, to use one of the microphones available so that everyone can hear your question.

Please feel free to direct your question to me or to any one of us and if your question is intended for all of us, I will refer it to each of my colleagues in turn.

So, may we have the first question, please?

Is the meeting over?

VOICE: Good morning.

CHAIRMAN JACKSON: Good morning.

QUESTION FROM AUDIENCE: Who had a "good morning" before I had a "good morning"?

[Laughter.]

QUESTION FROM AUDIENCE: I would like to direct these two questions to the two new commissioners and welcome you, obviously, to the Commission.

Also, do you have any particular areas of expectations or areas of particular interest that you would like to pass on to the staff here as coming new to this job?

And also, particularly, Commissioner McGaffigan, coming up from the Senate, what was your view of how the Agency was viewed by the Senate, which obviously is an important body in giving oversight to the Agency? I would be interested in those two.

CHAIRMAN JACKSON: Commissioner Diaz?

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COMMISSIONER DIAZ: I believe that my greatest expectation is on me rather than on the staff. I would like to be able to learn more about all the things that we do so I can work effectively with you and that is what I am trying to do right now. I am in a learning curve. All learning curves are "S" and I am definitely away from curving over; I am still curving at the very bottom of it.

But I would like to say that the -- my expectation on the staff are to be able to communicate with you frequently and openly and to know which directions you see things going so I might be able to do my job better.

COMMISSIONER McGAFFIGAN: I come to you from the defense world and that means that, perhaps initially, I am going to pay some attention of these issues of tritium production in commercial reactors. I have a strong background in nonproliferation and I spent 20 years in government and I am going to try to help my colleagues understand how government institutions work. I think, having been in government for 21 years, like many of you, I think that will be a strength that I can bring to the Commission in terms of processes, acquisition processes.

I was there when a lot of this legislature was passed to make acquisitions systems more flexible for Pat Norry and her people, make information systems work better.

I am in a learning mode as well. I have learned a

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lot in the last month from having 40 people come in and talk to me about being TAs and it gave me a sense of just how excellent this agency is and I think I could have thrown a dart and ended up with good staff, but that is for all of those of you who weren't chosen. But you are all -- they were full of ideas and full of enthusiasm and full of ways to make this a better institution. So I see that in the staff.

In terms of how the Senate views the Agency, in all honesty, it is like many institutions. I oversaw the Defense Department and there are many parts of the Defense Department that are relatively unknown except to the specialists and the staff and the NRC is in that category.

I think you have a general reputation, as the Chairman said, as an excellent technical agency with top-notch people but you have not had an authorization bill passed in 11 or 12 years. That is -- if you get focus in the Congress, it is when members, all hundred of them, have to vote on issues and that hasn't happened in a long time. And the appropriations bill is handled relatively straightforwardly with you buried in the energy and water bill.

I think there are some very important issues for the Agency in the Congress and our profile may well go up in the coming years because of the nature of the issues that

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are going to come before us. But I think, in general, you are thought of as a very competent technical agency that

they don't have to think about very much, which is good.

CHAIRMAN JACKSON: Next question.

QUESTION FROM AUDIENCE: Good morning.

Some statements were made regarding shrinking budgets and streamlining of the inspection and licensing program. In light of this, what does the Commission see in terms of the future of the usage of regions in terms of the administration of the overall purpose of the NRC?

CHAIRMAN JACKSON: I think there are two answers to that question. One is that the Commission has made no specific decision one way or the other with respect to the regions. Having said that, I think that the Commission recognizes the strength of the regional system and the importance of our inspection program, in terms of giving us comfort that we, in fact, are carrying out our health and safety mission effectively and that our licensees are living within the regulatory framework. So there is no specific plan, at this particular time, to do anything one way or the other with the regions.

But our overall regulatory program including reactor oversight is under discussion both as an outcome of lessons learned from a number of issues we have been grappling with lately as well as being specifically part of

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strategic assessment and rebaselining and you have, because the papers are out, any and all preliminary views of the Commission. But, as I have said, we also are going to be looking for stakeholder input and some of our biggest stakeholders are our own employees, obviously.

QUESTION FROM AUDIENCE: Thank you.

QUESTION FROM AUDIENCE: This is primarily for Commissioner Rogers but others may comment.

I would like to know the commissioner's impression of the completeness of the documentation of the safety adequacy of the existing nuclear power plants.

[Laughter.]

COMMISSIONER ROGERS: I detect my fellow commissioners departing.

[Laughter.]

CHAIRMAN JACKSON: It's called the head-for-the-hills effect.

[Laughter.]

COMMISSIONER ROGERS: Well, you know, the question I think could be viewed in a couple of ways. One is, if you really want to focus on documentation as such, that is one aspect. And the other is, safety as it relates to documentation.

I think that we certainly have felt that more attention has to be paid to make sure that plants indeed

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understand what their own documentation is and I have to say that I think we have learned, through some studies recently by the staff, that everybody's documentation has not been in very good shape.

I can remember some years ago when I was at Public Service Electric and Gas as a director and we ran into trouble with the NRC and an oversight committee was created and I was on that committee. One of the first things that committee did was to ask that company to go and look back at every commitment that it had made to NRC of any kind and to see whether those commitments had been fulfilled or not and to review all of the relevant documentation.

So I think that was a very healthy thing to do.

And I must say that I think plants have to understand what their licensing basis is, they have to understand whether they are in conformity with their alleged design which, sometimes, what is on paper is not exactly what is in the plant. And I think these loose ends just should be tied up.

It is a very important fundamental basis on which to start to look at the future: Do you understand and have good documentation for what exists in the plant right now? It would seem to me it is just very fundamental, it is elementary. The protests and objections to doing that from licensees are understandable in some ways but I think it is just a fundamental problem that has to be put to rest that

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the documentation is in place and that the people who run the plants understand what is in that documentation.

So I think that that is the beginning of continued safe operation, to know what you have and what its technical basis is. To me, there is really no argument that makes much sense that you shouldn't do that.

CHAIRMAN JACKSON: I think that, in addition, a

number of our other initiatives such as PRA, and this came out in the Commission briefing yesterday, rests on just that knowledge and that ability to retrieve the licensing basis and even, as Commissioner Rogers has stated in the past, it is not just that you have it but that it is being appropriately used as the plants are operating and in operations and procedures and, particularly, as changes are made to the plants.

Next question?

COMMISSIONER DIAZ: I might add a comment on that.

I don't know whether it is -- you know, it is a very short time that I have been here. But I am trying to connect the issues regarding the safety culture and what I have come up with lately, and I am probably wrong, is that no safety culture in this business can survive without a tracking infrastructure and the tracking infrastructure is what actually supports the activities that we do, whether it is documentation or anything else. And that tracking

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infrastructure has to connect every single point in the Agency and now I am going to throw out a word from my early years in school, and there should not be any impedance mismatch in between those points.

CHAIRMAN JACKSON: Is there another question?

QUESTION FROM AUDIENCE: I was wondering how our efforts have improved the safety in nuclear power plants in the former Soviet Union.

CHAIRMAN JACKSON: It depends on your definition of the former Soviet Union. I think if one looks at the facilities in central and eastern Europe and countries that were formerly part of the Soviet Union, I think the case can be made that the safety has been improved in a number of senses. I think that a number of plants have made changes in operations that show improvements in those operations. There are more robust safety assessments that are done in those plants, including the use of PRA and those assessments have been used to make both physical and operational improvements at the plants.

We have been involved in international efforts through both the G-7 and the G-24, specifically in making safety upgrades at a number of plants of Soviet design.

Within the Russian Federation itself, we have made some progress but the work continues. A big thrust of our efforts as an agency has been in strengthening or bringing

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into existence where they didn't exist and strengthening the regulatory bodies, particularly with respect to having those bodies and their statutory authority firmly rooted in basic nuclear legislation and having regulatory bodies that have independence and the resources that they need.

We could say that there has been a lot of good progress in that regard. If one wanted to be fair or realistic, I would say there is no regulatory body that looks like us anywhere in the world. Those bodies, then, in those countries are a long way from where we are today. However, in the sense that in certain instances there was no regulatory structure and there now is, that there was no independence and there now is more, that there have been specific both physical and operational safety upgrades made in those plants and that there have been a number of efforts and successful ones in improving safety culture, I would say that the record is a positive one.

I don't know if Commissioner Rogers, who has also been here for a while, might wish to make a comment?

COMMISSIONER ROGERS: Yes. I think one thought that occurs to me that might be of interest to you in this regard is that NRC has been a training ground for regulators from other countries over the years very effectively and today we see people heading nuclear safety organizations in countries that were part of the former Soviet Union who

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spent a year at NRC some time ago and were profoundly influenced by that and the ability to stay in touch with us and to be assisted by us through informal as well as formal contacts, I think, has been very valuable.

So I would say that part of the success that has come about has been through the sharing of expertise by NRC staff members with staff members from other countries and that has produced, I think, some very important possibilities for the future, because they have been oriented toward how we do things, how we think about safety and they could sort of hit the ground running when they were given opportunity to become a regulator in their own

countries.

CHAIRMAN JACKSON: I also think that one other thing that is very important in this, in fact equally critical, is that our government has been very focused on the issue of safeguarding excess fissile materials and so the NRC, together with other government agencies, has been very involved in issues of material protection, control and accounting, implementing such systems as well as the actual physical protection in countries of the former Soviet Union both through the Gore/Chernomyrdin Commission process, of which I am a member, and my predecessor before me but also at the staff level.

So on the nonproliferation side and the

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safeguarding of materials side, we also have had a very large impact and I don't know if Commissioner McGaffigan wanted to make any comments since I know that the nonproliferation issues are a focus of his.

COMMISSIONER McGAFFIGAN: I don't want to get off track, since the question is originally about reactors. But I think that is something that our government has done extremely well and the Congress continues to provide very adequate resources to pursue that and I think will continue to do so even after Senator Nunn leaves the Senate in January.

CHAIRMAN JACKSON: Is there another question?

Yes.

QUESTION FROM AUDIENCE: I am asking this question -- I am an administrative judge, by the way, and I am asking this question. Does the Commission, either as a whole or individually, Commissioners, realize that in the past few years one of the major efforts of the Commission seems to have been to cut down the opportunities for meaningful -- and I would like to emphasize the word "meaningful" -- public participation in various nuclear regulation and the opportunity of members of the public to participate.

There seems to be an effort to cut down the opportunities for meaningful public participation such as in

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hearings where I have participated. The Commission seems to have attempted to cut down the opportunities for meaningful public participation and I would like to get the current Commissioners' views on the general subject.

CHAIRMAN JACKSON: Well, I think, and I will speak first here, that the Commission is continually reviewing and currently reviewing how it interfaces with the public, the opportunities for the public to participate in our regulatory processes at all levels, not just from the point of view of hearings but in rulemakings and other fora.

I would take some degree of issue with that perspective that we, in fact, are going the other way. I think my understanding, and Commissioner Rogers, who has been here longer, can speak to this more explicitly, but my understanding is if you look at the question of how many hearings we have versus not and use that as a metric of public participation, I would argue first that is not the only metric of public participation for the Commission and there are any number of other ways that we involve the public in our decisionmaking and continue to evaluate how we can do a more effective job in that regard.

We are not as much of a licensing agency in terms of major licensing activities as we were in the past when there were a number of large nuclear facilities under construction and being licensed and I think that there is a

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natural trend in terms of that kind of a process that then tracks with the case load, as it were.

Secondly, there are opportunities for hearing. There are hearing rights afforded to any number of groups with standing in many of our processes ranging from licensing to decommissioning. So that is something that we should take a look at.

But in the absence of taking a more detailed look, I would say to you that our public participation has taken different forms than just hearings but, in fact, my perception is that the Agency is more open than it used to be.

Commissioner Rogers, maybe you would like to make a comment?

COMMISSIONER ROGERS: Yes. I think that that is a very, very important point. I think, perhaps, from your point of view of numbers of hearings and the number of times

the Commission has agreed to a hearing may be the basis for your observation but I think that it does not reflect the point of view of the Commission, should not be interpreted as the view of the Commission as disinterested or interested in reducing public participation.

I would say that meaningful public participation can take place in many forms and certainly our efforts at enhanced participatory rulemaking, for example, which

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occupied a great deal of attention of the Commission and has only been tested a little bit but seems to show some real promise, I think that is a meaningful process. It may not be exactly the same kind of participation as you might observe in connection with hearings but I believe it to be very meaningful in influencing how the Commission has come to write its rules and I hope we will see much more of that.

I think this Commission is very committed to openness and public participation in every way that we see opportunities for meaningful participation to be exercised. So I would hope your observation would not be that we do not feel that way. I believe very strongly that this Commission has gone on record a number of times of really being interested in involving the public in new ways that go beyond the ways of the past. I don't think that the measures that you may be applying tell the whole story.

CHAIRMAN JACKSON: Commissioner Dicus?

COMMISSIONER DICUS: I can't address specifically what you are talking about with the hearing process; I have not participated in that. But through the years that I worked with this Agency in the various capacities that I worked with the Agency prior to the time that I joined the Commission, viewing it over that course of time, my impression is that the Agency has become more open and has attempted and honestly and sincerely attempted to involve

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the public and other stakeholders in its decisionmaking process far more than my view was some years ago.

So I see it trending to a better position of communication between our agency, the people we serve, the public, the licensees and the other stakeholders. If there is room for improvement, and you are suggesting there is, certainly, we should take a look at that. But my view is we are doing a better job and we will continue in that trend.

CHAIRMAN JACKSON: Commissioner Diaz?

COMMISSIONER DIAZ: We are committed to public participation, period. There is no need to elaborate; it is a fact.

CHAIRMAN JACKSON: Commissioner McGaffigan?

COMMISSIONER MCGAFFIGAN: I can't quite be as short as that.

[Laughter.]

COMMISSIONER MCGAFFIGAN: But I agree. I come here from an open institution, the Senate, and I have been impressed in my first month-and-a-half here with just how open this institution is, how open we are to public comment, how public comment is taken seriously in every SECY paper that comes to us, how open the staff is when they go out and do inspections and have public meetings at the end of inspections and convey to the public what it is that is our view of the current plants and how we deal openly with the

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events that occur.

So I think you have a remarkably open institution. If there are -- I don't know the history of the hearings process, but if there are improvements to be made, we can look at it. But I think you are one of the most open institutions, most open to public comment and public participation that we have in the government.

CHAIRMAN JACKSON: I would also like to point out that in laying out our strategic direction for the future, as part of the strategic assessment, that is precisely why we have rolled out all of these issue papers on what we feel are the key issues for us, in terms of making decisions that are going to affect our regulatory programs going forward before the Commission even comes to a final decision and, in fact, meeting with various stakeholders around the country to solicit their input and, very importantly, getting input from our own people.

Let me go on to the next question, please.

Yes.

QUESTION FROM AUDIENCE: Dr. Jackson and Commissioner Rogers, I would like to indicate for myself a personal concern that I have about the Commission's ability

to actually create a risk-informed basis for doing many things in the Agency. There are approximately somewhere between 70 and 80 systematic evaluations, mostly

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probabilistic risk assessments that have been performed for nuclear power plants primarily under Generic Letter 8820.

However, because of the costs and the resources required to review these risk assessments, they have been reviewed to a level that does not allow the staff to make regulatory decisions based on these, it does not allow people to make licensing decisions based on the PRAs and every time an issue comes up, it has to be addressed individually.

The staff is at a tremendous disadvantage because it does not have the ability to effectively argue back against the licensee who has put in a million, two million dollars to do the review and performance of the PRA and we have not, on our part, done a review that allows us to use it.

Therefore, it seems to me that throughout the agency, if we have all this information that is provided now by licensees, and I know now that I am a project manager I see that we can't effectively use it because the PRA branches are overwhelmed and overburdened with the possibility of reviewing every risk assessment issue that comes up. Therefore, we can't really go forward, I believe, until we do a much better job of reviewing these PRAs to determine if they do do a good job of modeling the plant.

So I am interested in how the Commission sees this

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and whether they have any plans to kind of break this box that we have put ourselves in?

CHAIRMAN JACKSON: I think that is an excellent question. I think there are several pieces to the answer.

One thing that the staff has been urged to do on an expedited basis is to develop certain key tools, among them regulatory guidance as well as standard review plans.

One motivation of the Commission in asking that these activities be undertaken on an expedited basis is for us as an agency to lay out, both for the licensees as well as for our own staff, what are appropriate minimal requirements for the use of the kinds of risk assessments that you described in regulatory decisionmaking and, in so doing, then to be able to give guidance to the staff including people in critical positions, such as yours, for what a minimal submission should be and what level of review is required for what regulatory action.

I would say to you that, having had a recent Commission briefing on the PRA implementation plan, I would say that we are not there yet. There are, I know, draft documents under development and under review but, in the end, those documents have to, in fact, address the points that you raise in terms of how are we going to review these submittals, how are we going to make regulatory decisions without certain levels of review of the PRA submissions but,

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more importantly, what are the base line requirements in terms of what has to be in those.

Just as with everything else, everything is linked to everything else. There was an earlier question about the licensing basis of the plants. I think a big issue has to deal with the fact of what is the base on which PRAs are built and if we don't understand, if licensees don't understand how their plants are built versus design, that they haven't kept up with the licensing basis as the plants have changed, it is not clear how, in fact, what the PRAs mean relative to that.

That is part of what the Commission is trying to get at with the 5054(f) letters that went out recently but it is also part of what the Commission has asked the staff to do and I have been pushing very hard on the staff to accomplish with developing these guidance documents. Are they end all and be all? Of course not. But I think we have to come up to a certain threshold level in terms of what minimally is required both of ourselves in terms of our review of PRA submittals and of licensees in terms of what has to be in them before we can move forward.

The concern that I have and I had when I got here is that the train has left the station in the sense of our licensees very actively using these techniques in making their own decisions and, in a certain sense, we have to

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catch the train and stabilize the situation.

So I thank you for your comment and if you have any specific recommendations that you think we could do -- of things you think we can do to move this along in a more focused way or at a better pace, the Commission, I think, would appreciate hearing from you.

Commissioner Rogers?

COMMISSIONER ROGERS: Yes, I would just like to remind you that we did not require all plants to do a PRA. We required all plants to do an individual plant examination that might involve a PRA but did not necessarily require a PRA and, in the early days of that process, the Commission was not either prepared or totally comfortable with using PRA to make regulatory decisions, although it felt that PRA was a useful tool for licensees to employ in examining their own plants. I think what we have seen here is that that tool has been taken up and used more extensively than we had thought it would be five or six years ago.

We were never prepared to review every individual plant PRA. I have been somewhat dismayed by that myself because I think there is a great deal to be learned on our part from examining PRAs. However, the Commission recognized that it would not have the resources to review every single plant PRA, nevertheless saw the value to the licensees in understanding their own plants better by doing

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a PRA. That certainly has proven to be the case.

Many licensees have found vulnerabilities that they did not really fully appreciate in doing the PRA and we have observed that. But, as the Chairman has said, I think we are starting now to get to the point where we realized that this is a very powerful regulatory tool and we have to be able to use it effectively, more extensively.

We have committed enormous resources to our PRA implementation program. But we are still not quite in a position to be able to supply enough person power to review every single plant PRA.

I think it would be a very good thing if we could do that, so I appreciate your concerns and sense of frustration here. But I would call to your attention the history that has gotten us to this point. We didn't really expect that every plant would necessarily do a full level two PRA or even a level one PRA when we started the individual plant examination program. That has sort of caught fire and now we are trying to learn how to deal with it.

CHAIRMAN JACKSON: The question is where we go from here. Commissioner Dicus?

COMMISSIONER DICUS: I leaned over and said something to the Chairman so I get called on. That's okay.

[Laughter.]

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COMMISSIONER DICUS: No, I was concerned about the question and agree with the Chairman it is a very valid question and it is a question the Commission needs to be concerned about.

I have raised similar issues and approached them in another direction in Commission meetings to the extent of asking when we are developing these documents, when we are going out with things, are they really being effective and then, conversely, when these items come back in to us, are we really able to handle them, what are we going to do with them and how does this track? I am referring, in another way, to what Commissioner Diaz said a little while about about infrastructure and tracking.

So I appreciate your question. I think, as a Commission, we are concerned about this and we need to ensure, as the Chairman said, that we do get the key tools in place to address this sort of thing and ensure that what we are doing is the right course to take.

CHAIRMAN JACKSON: Commissioner Diaz?

COMMISSIONER DICUS: Ditto.

[Laughter.]

CHAIRMAN JACKSON: Commissioner McGaffigan?

Okay, I didn't know who was there first. Maybe we will take one from -- okay.

MS. SMITH: We have a number of different

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questions from the regions but I will start with this one. This is from Region IV.

The Information Technology Management Reform Act requires agencies to appoint a chief information officer. When do you anticipate a selection will be made and what do you see is the most significant impact which the agency will

experience from the formation of a new CIO organization?

CHAIRMAN JACKSON: Thank you.

I would say that we are tracking probably to the end of the year to have a choice, a person, a choice made and that come into effect.

I think the significant impact has to do with creating an agencywide architecture for information management that is both responsive to the user needs but allows us more effectiveness and efficiency in carrying out our program.

There are any number of issues related to how information flows, how information is managed, how databases are created, how they communicate, if they communicate, do they streamline the administrative burden that our various staff have to grapple with so that the focus can be on an effective regulatory program. So acquisition of information technology is linked to that but the role of the individual in that position working with the EDO and CFO is to ensure that the systems that are developed, that before technology

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purchases are made, that we understand what they are to accomplish and that we can do things appropriately on an agencywide basis. It has some other things in terms of acquisition, but that is a fundamental role.

So I personally am excited about the prospect and I think we have a great opportunity and we just have to be sure that it is implemented the right way.

MR. HECK: Okay, we have a question from Region IV. The Agency has been --

CHAIRMAN JACKSON: Can you speak up? I can't hear you too well.

MR. HECK: Okay. A question from Region IV. The Agency has recently been using special team investigations to review problem plants such as Dresden and Maine Yankee. Would you anticipate this process would become a more frequently used supplement to the inspection program for problematic plants?

CHAIRMAN JACKSON: I think there are two answers to that. One is that there is always a responsiveness aspect to what we decide is needed relative to an issue that may arise with one of our licensees; in this case a power reactor site. So I would say that as needed and as appropriate, we would do that.

There is a larger issue relating back to the design basis and licensing basis issues as to whether -- and

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I spoke to that in my remarks, that in fact we have stepped away from doing design basis based inspections and that is something that we are looking at again.

Let me take a question here. Yes.

QUESTION FROM AUDIENCE: Chairman Jackson, in your opening remarks you referred to your support for an international regulators forum.

CHAIRMAN JACKSON: Correct.

QUESTION FROM AUDIENCE: You are, of course, aware that the Nuclear Energy Agency of the OECD has a committee called the Committee on Nuclear Regulatory Activities which is an informal forum for reactor regulators, usually at the level of the head of the Office of Regulation, nuclear reactor regulation. This group does meet from time to time with regulators from the eastern European countries. In addition, from time to time, there are senior regulators, heads of regulatory committees, regulatory agencies, that meet in Paris and I am wondering to what sense do you see the proposed international regulatory forum differ from what exists already.

CHAIRMAN JACKSON: Well, thank you for asking the question. In fact, I introduced the idea of the International Nuclear Regulators Forum at the Senior Regulators Meeting at the NEA OECD in Paris just this fall and it was very warmly and strongly endorsed.

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The CNRA, the committee that you spoke of, is a committee within the NEA that has had primarily a technical focus and, as you point out, it is one that has had a focus primarily on reactors and it has involved senior managers or officials primarily at the level of someone that would be, in our context, the director of NRR.

The forum that I am talking about is one that would involve -- would be at a very high policy level and involves a range of issues primarily focused on nuclear safety and security and would involve the senior most, politically accountable policy officials of those agencies.

It is meant to be complementary to but it is meant to address a larger range of issues.

It is not going to be a forum where people sit and present papers on PRA and how it is applied to nuclear power plants. It really is looking at some of these issues about regulatory regimes worldwide, some of the issues related to creating regulatory bodies, legislative undergirding, any number of issues. So it is meant to exist independently of these existing structures but in harmony with them and to latch onto them as appropriate.

In addition, the NEA membership is a very restricted membership and a lot of the action in terms of where there is need for regulatory discussion on the one hand is in central and eastern Europe but, as far as where

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there is major growth in nuclear programs, it's in Asia and other than the membership of Japan and Korea, we don't have certain major players in that forum.

Yes.

QUESTION FROM AUDIENCE: Chairman Jackson, you mentioned that NRC will undergo some changes to survive. Obviously, last year you discussed that extensively. At the National Performance Review, where the government performance was being reviewed actually on not the actual mission but the way we perform, NRC was often cited as a mature agency that had applied, relatively speaking, to other regulatory agencies, common sense and judgment in regulations.

Do you see that, more of that in the future or less of that, given the problems that we have seen with exemptions being given out --

CHAIRMAN JACKSON: Do I see more of what?

QUESTION FROM AUDIENCE: Of judgements used in regulatory application, common sense approaches that --

CHAIRMAN JACKSON: Well, let me just say the following. Judgment is always the basis of any decision that is made. The question becomes what is the base on which the judgment is made and do we have an infrastructure, standards that we all understand and consistent tools that we all use and understand and do we start from the same base

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line of fundamental questions or ways of looking at whatever the issue is or how we evaluate the performance of a particular licensee.

I think what we are talking about here is ensuring consistency, as much as possible, objectivity and the right tools and common tools are used throughout our regulatory programs and so that when our inspectors are in the field or when we have region-based staff or headquarters staff that everyone is reading from the same page.

You have heard me say, I have had it in a number of speeches, that the way to regulate is not by exemption. That if, in fact, one finds that there are circumstances where there is somehow a need to issue blanket exemptions or exemptions across some large base of licensees, that then says that perhaps we need to take a look at why that situation exists so that if, in fact, the regulation needs to be eliminated or if it needs to be modified in a way so that what I call the safety case is clearly there, then we need to do that and that is why, in my opening remarks, I said that it is very important that if we feel, if you feel, if you know that our -- some regulation or regulatory requirement does not have that safety case, then we need to change it. But the solution for the regulator is not to say that it is okay that we have these regulations, that it is okay if they are ignored, because that is how we get

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ourselves into the Millstone situation.

Over here?

MS. SMITH: This question comes from Region III and it is for the new commissioners.

What are your opinions on the National Academy of Sciences recommendations regarding NRC oversight of medical facilities?

CHAIRMAN JACKSON: I am sure that Commissioner Dicus would want to be considered a new commissioner in this.

[Laughter.]

CHAIRMAN JACKSON: Therefore, I am going to put her on the spot and put her in the group. So, Commissioner Dicus?

COMMISSIONER DICUS: I am trying to figure out what I have done here.

The -- of course, as you know, one of the DSIs addresses this specific issue and, as we have said and the Chairman has said, we are trying to back away and are backing away.

Even in this case, as you will notice, from a preliminary view of the Commission on this, we have heard from the stakeholders and have that broader look at the overall recommendation. I would go on and venture a little bit of a comment toward this, however.

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If the ultimate determination is that the NRC does stay in the medical use of radioactive materials, that we do need to take a look at the program and see if there are ways that the program would need to be modified to make it a more effective program and to raise some of the concerns that were raised in the IOM report. We clearly did not even reach a preliminary view on it because it is important to hear from stakeholders.

CHAIRMAN JACKSON: Commissioner Diaz?

COMMISSIONER DIAZ: I, as some of you might know, actually was trained in nuclear medical physics and actually practiced about six years in the field. I decided to go and work with nuclear rockets because it was safer.

[Laughter.]

COMMISSIONER DIAZ: Having said that, I do believe that there are some issues that were raised that are important but I do believe that the medical area needs to be carefully regulated. And I think I would like to take another look at it.

CHAIRMAN JACKSON: Commissioner McGaffigan?

COMMISSIONER McGAFFIGAN: I agree with Dr. Diaz that I am -- the bias that I come to this institution with is that medical regulation will probably continue here at the NRC, that it is appropriate. I think we do, based on my conversations with those 40 people, we do a pretty darn good

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job. There are some things we can change. The staff has looked at that.

I think that the fundamental problem the medical community has with us is that we actually do a responsible job and some of their other self-regulation, as you can tell by watching 60 Minutes, doesn't particularly work very well. So the bias that I come to is that we are likely to stay in this business for a while.

CHAIRMAN JACKSON: Well, you heard it here first.

[Laughter.]

CHAIRMAN JACKSON: Yes.

QUESTION FROM AUDIENCE: Good morning.

We have seen some regulatory issues involving our interactions with the Environmental Protection Agency over the past five to six years as sometimes very frustrating and time consuming, both for the staff and for the Commission. The most recent issue of which was finally resolved by the full Commission, which was the constraint rule which will impose a 10 millirem constraint in Part 24 air emissions for materials and fuel cycle facilities.

With the next large hurdle still ahead of us, namely that of decommissioning or the cleanup rule, would you please comment as to how the Commission or the Congress can assist us and the EPA in resolving our differences in a more timely manner, especially with respect to groundwater

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protection and move ahead in this extremely important area.

CHAIRMAN JACKSON: Let me just say the following. We have some decisions before us that, as decisions, you know, the Commission has to formally take up. So I am not going to specifically speak to those in the absence of our having reached a formal decision on that.

I think what I would rather do is, in particular, call on the left side, my left side, and see, and ask Commissioner Dicus and Commissioner McGaffigan.

We will start with Commissioner McGaffigan.

[Laughter.]

COMMISSIONER DICUS: Thank you.

CHAIRMAN JACKSON: To speak to that issue because it is an issue before us. But to try to stay away from the decisions.

COMMISSIONER McGAFFIGAN: I think it is, again from those 40 wise people who talked to me, the 14s and 15s of the Agency, it is a very fundamental issue that you raise and it is one that we are intending to tackle. I think the Congress can play a role and probably will play a role. You know, coming from the Congress, I can say this. When you

get the Congress playing a role, it is a roll of the dice as to how it turns out.

There is inconsistency. It is a matter of great frustration. This Agency prides itself on making rules

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based on the scientific evidence and that is not always the case with our -- with some other agencies, perhaps.

So I think it is a fundamental issue, it is one that we intend to tackle in the context of the decisions that the Chairman has referred to. Several of us, maybe all of us, you know, the vote on the constraint rule I think is public now and I think there was great frustration that we had to do what we did and it was only based on the notion that we really weren't adversely affecting our licensees.

But everything is a precedent for the next decision and there was reluctance in that case that was uniform. And I think the Chairman now wants to speak so I will get out of the way.

[Laughter.]

CHAIRMAN JACKSON: I think a fair statement to you is that you will probably see more activism in this regard in the next year, very direct activism.

Having said that, let me defer to Commissioner Dicus.

COMMISSIONER DICUS: I still can't get off the hook.

Having dealt with at least, well, two state legislatures, one in Arkansas and one in Nebraska when I was chair of the Commission there, the last place I like to try to get something resolved is at the political level. So if

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we can resolve it before we get there, it is probably much, much better. As Commissioner McGaffigan said, it is a roll of the dice.

Here recently, we asked that something get on the agenda for a briefing and it really had to do with dual regulation. But rather than spelling "dual" d-u-a-l, we spelled it d-u-e-l and I said, never mind, leave it; it's closer to the truth.

[Laughter.]

COMMISSIONER DICUS: It really had to do with the -- and it has to do with competing standards and standards with some of our sister agencies.

I am very concerned that we have such a wide range of standards and what those standards are based on and we need to definitely try to find a core idea and stick with it. I think it is going to be easier for our licensees, easier for the public to understand and accept. So the issue with what we have just passed, in part we were trying to get away from dual regulation and it was a way to accomplish that, but we need to study this a little bit more. I am very concerned about the number of standards and how we decide that is the standard we should have.

CHAIRMAN JACKSON: Remember, you heard it here first that not only are we going to study it more, we are apt to take a more activist role.

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Commissioner Diaz?

COMMISSIONER DIAZ: Yes, I would like to have the 40 wise people that talked to Commissioner McGaffigan to come and talk to me.

[Laughter.]

CHAIRMAN JACKSON: Commissioner Rogers.

COMMISSIONER ROGERS: I think everything has been said that is going to be said.

CHAIRMAN JACKSON: Let's hear if there is a question from the regions.

MR. HECK: Region IV. Current inspection is to reduce the inspection effort at plants with good self-ratings. In light of the lessons learned from Millstone and others, can the Agency continue to pursue this initiative where, for superior performers, greater emphasis is placed on licensee self-regulation as opposed to NRC oversight.

CHAIRMAN JACKSON: That is a good question.

I think we are looking at that. There is a review underway of the whole resident inspection program, how people spend their time and how that squares with what we were assuming about what our licensees were doing versus what we feel we have learned in terms of lessons from some of our recent experiences. So my general answer to you is that there will be some -- a relook and possible renormalization.

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A question here?

QUESTION FROM AUDIENCE: Good morning. I have two personnel type questions.

I heard a lot of issues being addressed, PRA, Millstone. Does the Commission believe the NRC has the appropriate level of human resources to deal with all the issues we have heard this morning and, if not, are there any thoughts about going to Congress to increase our level of human resources?

My second question is, what is the opinion of the Commission as to the current level of morale at the NRC and are there any thoughts about conducting a survey to address the issue?

CHAIRMAN JACKSON: Well, I will take your second question as a suggestion which I think we will look at.

In terms of going to the Congress to request an increase in our FTE, I think there are two answers to that question. The chances of that, in the absence of major growth in our regulatory program, I mean, are something that is a slim opportunity.

However, having said that, I think the more important and intelligent way that we have to do it, and it is actually going to be an outcome, a follow-on of the strategic assessment and rebaselining is that we have to decide ourselves where we think that the regulatory program

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is going and it hinges on decisions like some of what we have been asked about today in the medical area, what we are going to do in the inspection program, more broadly what we are going to do in terms of our regulatory oversight.

We have to ask ourselves then what core competencies does that imply for the agency and at what level and then we have to look at the people we have, look at fungibility of people, et cetera, et cetera, et cetera and until and unless we address those questions, then to talk about going to Congress for an increase or decrease or the status quo is premature.

So that is my answer to you.

Yes.

MS. SMITH: Question from Region IV.

NRC recently shifted the agency lead in standby mode for incident response from the region to headquarters.

CHAIRMAN JACKSON: Could you repeat the question? She was disturbing me.

COMMISSIONER DICUS: That means I am going to have to answer another question.

[Laughter.]

MS. SMITH: Okay. This is from Region IV.

NRC recently shifted the agency lead in the standby mode for incident response from the region to headquarters. What additional changes do you foresee

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regarding the NRC Emergency Response Program?

CHAIRMAN JACKSON: I don't think there is an answer I can give you. That is being evaluated as part of a number of relooks at a number of things so there is no specific answer.

Any other questions?

Is this Region IV again?

MR. HECK: No, this is Region III this time.

CHAIRMAN JACKSON: I think Mr. Callum made these plants; he wanted us to know he was here.

[Laughter.]

MR. HECK: Is site experience as a resident inspector a prerequisite for promotion for all reactor program positions, particularly resident inspector positions? Recently, it appears that site experience has become a nonwritten prerequisite for promotions and, unfortunately, highly qualified applicants with in-depth technical knowledge can be passed over for specialized positions in favor of someone with site experience but without the in-depth knowledge required for the position.

Was this what the Commission intended?

CHAIRMAN JACKSON: Well, first of all, it is not my understanding that there is either an actual or de facto requirement in that regard for promotion, unless these gentlemen sitting here apprise me of something different.

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So that is something I will take a look at and we will take a look at but it is not my understanding that that linkage is there at all.

Yes?

MS. SMITH: Three questions from Region III.

First question, do you think we need dedicated design basis inspections?

CHAIRMAN JACKSON: Probably, yes.

MS. SMITH: Question two. Based on the concerns identified at Millstone, what areas of inspection need increased attention?

CHAIRMAN JACKSON: Well, in order -- rather than just to give an off-the-top-of-our-head answer, let me just say the following. The design basis area is one, design basis, licensing basis. We will never take our focus off of operational safety.

But I think the larger answer to the question is going to come out of the review of the resident inspection program coupled with the lessons learned rolling out of the Millstone and the other reviews that we have underway.

MS. SMITH: Finally, our guidance regarding inspections of 10 CFR 5059 safety evaluations is in much need of improvement. Do you share the same view and what is being done about this?

CHAIRMAN JACKSON: Yes, and it is being worked as
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we speak in terms of changing that guidance.

Yes?

MR. HECK: Okay, this is from Region IV.

[Laughter.]

MR. HECK: This is a long question, so bear with me.

There appears to be a change in attitude as far as how we will deal with the inspection mission post Millstone. Inspectors have been cautioned numerous times that we are expected to be regulators versus inspectors. Many inspectors have expressed concern that aggressive inspection activities will cause complaints from licensees. Regulators are supposed to be able to accomplish this inspection mission and have the licensee thank them for it.

No one to date has explained or trained inspectors how to do this. After the Towers-Perrin report, licensees have been more aggressive in complaining to NRC management. This has caused inspectors to be very cautious, less aggressive and less intrusive, thereby increasing the chance of another Millstone.

The question is, what should the Agency do to counter this growing apprehensive posture in the inspection program?

CHAIRMAN JACKSON: Okay, thank you.

Well, I think we have to be very careful about
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what I call the "versus" scenarios because I heard in there an inspection versus regulation and, first of all, inspection is a critical part of our regulation and our regulatory oversight of our licensees. So that is the first part.

The second one is there is this issue of having the inspectors do their jobs and having licensees thank us for it. That is an interesting statement in the following sense in that I guess most of us don't necessarily want people looking over our shoulders and telling us or finding things that we are presumably doing in less than an optimal fashion or doing wrong. So I don't know that we will ever track to a point where one will have the profuse gratitude expressed based on a licensing outcome -- I mean, an inspection outcome.

But having said that, I think it is important and I think this is the lesson that we have tried to promulgate coming out of Towers-Perrin, it has to do with the professionalism with which our licensees are treated and I think that is the value that our various managers have been trying to inculcate in our inspection staff.

Having said that, we still have our jobs to do and we are going to do those jobs. That then may cause discomfort at some level on the part of those who are being regulated/inspected. I think the way we deal with that is
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that we try to ensure that our inspectors have the right training, the right tools, the right guidance, both in terms of written guidance but guidance from their management because that is why the managers are there, to ensure they are looking at the right things, that they, you know, understand our regulations and regulatory requirements, that that is what they apply in doing their inspections, that they are as objective as possible and when the results are pulled together, that the assessments that are made all the way up the line are objective and build on all of the bases

that flow into those judgments.

I think what happens is, and this is a big focus of mine, that is someone asked earlier the issue of judgment in regulation and, as I say, there was always an element of judgment. But the important point is, and this is what makes the regulator's job so hard, and that is one of the principles of good regulation is independence and there is kind of an arm's length relationship. It is a hard one to maintain in the right way but it is something that we have to continually strive for.

Otherwise, one can track into one of the following two situations. One, where if one leans over too far one way licensees can be very comfortable but we may miss something or we let something go by or the public feels that we are too close to those we regulate. If we lean too far

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the other way, we run the danger of telling licensees how to run their plants and that is not our job either.

So we have to be clear on what the requirements are and what our role is as regulators and it is not just our individual decision that licensee X can ignore a regulation because he is a good guy. You know, we don't do good guy regulation. Or that licensee Y we are going to screw to the wall on a regulation because he's a bad guy. We don't do bad guy regulation.

What we do is regulation based on what our regulatory requirements are and we do not tell our people not to expect people to live within those requirements. There are judgments that may get made in terms of the safety or risk significance of what has occurred and that will be handled both in enforcement space and in terms of how the overall nuclear operations are judged through our various evaluation processes, whether it is the plant performance reviews all the way up to the senior management meeting process. But that is the important point.

So, again, let us not be confused by "versus". There is no regulation "versus" inspection. The one is inextricably part of the other.

One more region and then if there are some more here.

MS. SMITH: Actually, we have asked all the

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questions from the regions but this is from a headquarters employee.

CHAIRMAN JACKSON: Okay.

MS. SMITH: My husband and I commute from Charlestown, West Virginia. The cost of commuting is not getting any cheaper. Does the Agency have any plans to subsidize employees for commuting costs?

CHAIRMAN JACKSON: Not at this time. I commute also.

[Laughter.]

CHAIRMAN JACKSON: Well, yes, Mrs. Norry?

MRS. NORRY: I don't have a microphone anymore but in spite of my facetious comments earlier about the weather, I want to acknowledge the Office of Resources Management without whose help on communications we couldn't do this.

[Applause.]

MRS. NORRY: My general policy on these things, you should know is when I come to them I ask Ben if he's happy and if he's happy then I'm happy. And also Dennis Turner in the back there, on my staff.

[Applause.]

CHAIRMAN JACKSON: And let us give another round of applause to Mrs. Norry and all who helped to put this together.

[Applause.]

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[Whereupon, at 12:15 p.m., the meeting was concluded.]