

1 UNITED STATES OF AMERICA  
2 NUCLEAR REGULATORY COMMISSION

3 \*\*\*

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

7 \*\*\*

8 PUBLIC MEETING

9  
10  
11 Nuclear Regulatory Commission  
12 White Flint North  
13 Rockville, Maryland  
14 Thursday, September 3, 1998

15  
16 The Commission met in open session, pursuant to  
17 notice, at 10:34 a.m., Shirley A. Jackson, Chairman,  
18 presiding.

19  
20 COMMISSIONERS PRESENT:

- 21 SHIRLEY A. JACKSON, Chairman of the Commission  
22 NILS J. DIAZ, Commissioner  
23 EDWARD McGAFFIGAN, JR., Commissioner  
24  
25

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

2 [10:34 a.m.]

3 MRS. NORRY: I would like to welcome everyone to  
4 this all-hands meeting with Chairman Jackson, Commissioner  
5 Diaz, Commissioner McGaffigan.

6 We have the region offices and the Technical  
7 Training Center from Chattanooga on video, which is a first.  
8 We also have all the resident sites on audio and the people  
9 from all those places will be able to ask questions, as will  
10 the people here in the tent.

11 We have a number of questions that were submitted  
12 in advance in response to our request to do so. We are  
13 going to try to deal with as many of those as we can today,  
14 but we recognize there will also be questions that will  
15 occur to you during the presentation. You know where the  
16 microphones are. You can see them. One over there, one  
17 there, and one there. So come forward and ask your  
18 questions. We will try to balance the questions that we got  
19 in advance and those which you may want to ask this morning.

20 I would just like to say that, as last year, we do  
21 not intend this particular meeting to address personnel  
22 policies, personnel practices or working conditions. For  
23 that purpose, we will be having a partnership meeting where  
24 management officials and union officials will be in some  
25 very large gathering which will be open to all employees to

1 ask those kinds of questions. Those which you have already  
2 submitted in advance will be made a part of that meeting,  
3 plus any others you want to ask.

4 I would like to also point out that NTEU officials  
5 are seated down there in whatever row that is. Can you  
6 raise your hands?

7 [Show of hands.]

8 MRS. NORRY: The meeting I just referred to where  
9 we will address partnership issues will be in October  
10 sometime.

11 I would like to introduce Sue Smith and James Heck  
12 who will be reading the questions and forwarding those that  
13 we get from the regions.

14 With that, I would like to introduce Chairman  
15 Jackson.

16 CHAIRMAN JACKSON: Thank you, Mrs. Norry.

17 Before we begin, I was wondering if perhaps we  
18 could try to do without the ground level fans. They seem to  
19 be providing a bit too much background noise. So if someone  
20 could take care of that, we would appreciate it.

21 Good morning. With me today are NRC Commissioners  
22 Nils Diaz and Edward McGaffigan, Jr. On behalf of my  
23 Commission colleagues and myself, let me welcome all of you  
24 to this special meeting of the Commission with the NRC  
25 staff. I extend that welcome both to those of you who are

4

1 assembled here in the tent at headquarters and also to  
2 groups of employees connected by videoconference and by  
3 telephone from the regions.

4 These all employees meetings have become an annual  
5 tradition at the NRC since 1991. They are intended to  
6 stimulate and to facilitate direct communication between the  
7 Commission and individual members of the staff on  
8 mission-related policies and initiatives; to clarify the  
9 Commission's agenda; to engender a shared vision; and to  
10 motivate the staff in pursuit of that vision.

11 This year, as you know, the Commission actually  
12 moved the date of this meeting forward because we especially  
13 wanted to solicit your input during this time of transition.

14 I suppose some of you may be thinking that we have  
15 been in a time of transition for several years, and that in  
16 fact would be an accurate thought, but the pace certainly  
17 has accelerated in a number of areas in recent months.

18 I would like to thank all of you at the outset on  
19 behalf of the Commission for the high degree of  
20 professionalism, the hard work and the dedication that all  
21 of you have exhibited.

22 As you know, the NRC has been the subject of a  
23 number of recent external reviews from our congressional  
24 appropriations and authorization committees, the General  
25 Accounting Office, and other stakeholders.

5

1 In fact, on July 17 the Commission invited a  
2 number of its stakeholders, including some of our harshest  
3 critics, to engage in a round table discussion that was open  
4 to the NRC staff, the press and the public.

5 On July 30 the Commission testified in a hearing  
6 before the Senate Committee on Environment and Public Works  
7 Subcommittee on Clean Air, Wetlands, Private Property, and  
8 Nuclear Safety.

9 These interactions have provided the Commission  
10 with beneficial insights. Although the recent feedback has  
11 provided a valuable range of perspectives on the strengths  
12 and weaknesses of NRC regulatory policies and programs,  
13 these general topics also have been the focus of various  
14 Commission and staff efforts and initiatives for sometime.

15 Some of the particular areas of focus include  
16 providing a more rapid transition to a risk-informed and,  
17 where appropriate, performance-based regulatory framework.

18 Reexamining our reactor oversight processes,  
19 including inspection, enforcement and performance  
20 assessment, to ensure a proper safety focus, to enhance the  
21 objectivity and defensibility of our methods, and to  
22 eliminate unnecessary licensee burden.

23 Ensuring that some of our frequently used  
24 processes such as generic communications and confirmatory  
25 action letters are subject to proper controls.

6

1 Streamlining our licensing and adjudicatory  
2 processes.

3 Ensuring the overall effectiveness of our  
4 organization, management and self-assessment capabilities,  
5 including a reevaluation of staffing and resource needs.

6 In addition, a consistent thread that has run  
7 through various critiques is the need for us to be clear  
8 with our definitions and standards.

9 Now I'm sure that many of you have read various  
10 trade press articles or have heard discussions that have led  
11 you naturally to ask, what does it all mean? Where are we  
12 headed as an agency? Let me make several points in this  
13 regard.

14 First, we should remember that change can be good,  
15 and the Commission believes in this instance that change is  
16 good. Many of you may remember that when I spoke to you at  
17 an all employees meeting back in 1996 I shared a vision  
18 which included the need for NRC to position for change.

19 In fact, the NRC was in the process of active  
20 change when some of these external reviews began, including  
21 Commission initiatives such as the revisions of 10 CFR  
22 50.59, the integrated review of reactor performance  
23 assessment processes, the revisions to 10 CFR Part 35 and  
24 Part 70, and the new registration program for generally  
25 licensed devices, as well as the changes to our agency-wide

7

1 planning and budget framework.

2 These and many other initiatives had been in  
3 various states of gestation before the recent focus on the  
4 NRC, but they have not come to fruition. The recent  
5 external interests and focus have proven then to be useful  
6 in highlighting areas in which we need to accelerate change,  
7 as well as in revealing new areas that need additional  
8 attention. These changes will have an effect on the entire  
9 agency and will not be limited just to the reactor oversight  
10 program areas.

11 Although the short-term focus is predominantly in  
12 the reactor programs, it is important -- very important --  
13 that we all understand that we will be assessing and  
14 changing how we do business throughout the NRC.

15 Today I would like to focus your thoughts briefly  
16 on the importance of what I have called holding the center.

17 Let me emphasize at the outset that holding the  
18 center does not -- I repeat -- does not mean adopting a  
19 defensive posture or clinging to the past. What it does  
20 mean is not losing sight of our primary health and safety  
21 mission while enhancing our effectiveness by changing. It  
22 means continuing to stay focused on that mission as we make  
23 the transition from a traditional deterministic approach to  
24 a more risk-informed and performance-based approach to  
25 regulation.

8

1 So how do we go about achieving change in a  
2 responsible manner? I've discussed this with agency senior  
3 managers, and today I offer some strategies for your  
4 consideration which are drawn in part from a presentation  
5 made to the Commission by the Office of Research last month.  
6 What was presented seemed to indicate that the presenters  
7 "got it," at least as articulated at the meeting.

8 So what are these strategies?  
9 First, we need to be sure that we have articulated  
10 clearly and correctly our vision, our goals, and our  
11 requirements.

12 We must use risk-informed thinking and techniques  
13 throughout the agency as a means of ensuring a proper safety  
14 focus.

15 We must encourage a team concept within and among  
16 offices, which means avoiding a stovepipe mentality,  
17 because, after all, we are one NRC with one mission.

18 We must encourage agency-wide thinking that places  
19 greater value on being proactive and being anticipatory, on  
20 being outcomes or results oriented, on being timely and on  
21 being cost effective.

22 We should use process mapping, which in its  
23 simplest form simply means thinking about how we do things  
24 and the best way to do them, as a tool to establish  
25 efficient functional relationships and to eliminate

9

1 duplication of effort.

2 We should build on our current strengths, which  
3 primarily means our people but also our programs and  
4 processes.

5 And we need, the Commission needs, both management  
6 and staff buy-in, and that in fact is why we are here today  
7 and that is why we have moved this meeting forward.

8 In addition to these overall higher level  
9 strategies, we also should be using a series of what I have  
10 referred to as implementing strategies. Let me give you  
11 some examples.

12 We should be developing reasonable thresholds for  
13 decision-making in areas of potential and high risk or  
14 safety significance. Reasonable thresholds.

15 We should be conducting continual self-assessment  
16 and soliciting feedback from those we regulate and other  
17 stakeholders.

18 We should be assessing -- and this is a hard one  
19 -- whether our requirements achieve their intended purpose.

20 And here's another hard one. We should be  
21 sunseting activities when they are no longer relevant for  
22 regulatory purposes.

23 These are examples of strategies for achieving  
24 change in a manner that ensures that we are holding the  
25 center, that is, identifying and preserving our core or

10

1 baseline requirements as we change to be more effective in  
2 accomplishing our fundamental mission.

3 Let us take our reactor oversight processes as an  
4 example. As I have discussed with NRC senior management, we  
5 should ask and answer a series of questions.

6 (1) Within a risk-informed framework, what is the  
7 minimal level of inspection or assessment or licensing  
8 oversight that will continue to give us confidence that  
9 licensed facilities are being operated and maintained in a  
10 safe manner?

11 (2) What processes and methods must we establish  
12 to achieve a risk-informed baseline as effectively and  
13 efficiently as possible?

14 (3) What core competencies and resources must we  
15 have to implement those processes?

16 (4) What measures are needed that will tell us  
17 when we have succeeded?

18 (5) How can all of this be achieved in the most  
19 timely and most cost-effective manner possible.

20 It is important that we establish this framework  
21 expediently and reasonably. To repeat, our objective is to  
22 be more effective in accomplishing our public health and  
23 safety mission. This is not to say anybody has done  
24 anything wrong, and that's the natural tendency,  
25 particularly when there is a lot of outside focus. Nobody

11

1 has done anything wrong. Our objective is to be more  
2 effective in accomplishing our public health and safety  
3 mission by being risk informed, by being performance based,  
4 that is, results oriented, and by being cost effective.

5 If we truly move to a program with these  
6 characteristics, appropriate burden reduction in fact will  
7 occur, both for ourselves, but particularly for those we  
8 regulate, because being risk informed means that there will  
9 be burden reduction in areas of low risk just as it may  
10 entail an increased focus in areas we previously may have  
11 underemphasized. In the end, we will impose no more but no  
12 less than what is required.

13 Before I close, I would like to offer all of you a  
14 few watchwords of which to be mindful as we continue to  
15 improve. I call them the three C's. They are confidence,  
16 courage and conviction.

17 We need to be confident that our new inspection,  
18 assessment and enforcement programs provide objective  
19 criteria and consistent methodologies for providing  
20 reasonable assurance of public health and safety, and that  
21 they accomplish what they are designed to accomplish. We  
22 can achieve this, as I've said, through being risk informed,  
23 by obtaining input from all of our stakeholders, and by  
24 rigorously challenging the expected outcomes and potential  
25 weaknesses of all of the options that we consider.

12

1 We need to have the courage and the discipline to  
2 implement fully and consistently our new programs as they  
3 are developed and formally adopted. We need to build an  
4 assessment function into each of the programs and processes  
5 to allow early self-identification of performance results  
6 that are not consistent with effective public health and  
7 safety regulation. We need to self-initiate course  
8 corrections to our programs based on self-assessment before  
9 our various stakeholders feel compelled to attempt to force  
10 a change on us with the attendant potential for  
11 overreaction.

12 As the NRC, as the foremost nuclear regulatory  
13 body in the world, we should be leading change in response,  
14 yes, to a changing external environment, and because we have  
15 new tools and approaches to allow us to better define safety  
16 and to implement our programs in new ways.

17 We need to have the conviction and the objective  
18 evidence to argue the merits of our programs and policies  
19 when challenged. We will be much more effective at  
20 resisting the pendulum effect and therefore in maintaining  
21 regulatory stability if we are willing to change ourselves,  
22 and in changing, to defend the soundness and the  
23 effectiveness of our programs as they evolve.

24 I believe I can speak for my colleagues when I say  
25 that the Commission encourages the staff to communicate

13

1 directly with us when you have concerns. The Commission's  
2 open door policy is always there. I would encourage you to  
3 use that avenue if you have a public health and safety issue  
4 to which you feel NRC management or the agency as a whole is

5 not properly responding. But more broadly, as we are making  
6 these changes in our various programs, we are open to your  
7 suggestions for improvement.

8 In closing, I would like to disabuse you of the  
9 view that some may have that we are jumping off the bridge  
10 in reaction to criticism from the Congress or from other  
11 stakeholders. We are doing what we need to do. We are  
12 finishing what we started.

13 The changes we make will be made because they are  
14 the right things to do, all predicated on safety first and  
15 foremost, but we will be better and smarter in how we carry  
16 out our mission. In fact, we should be excited and  
17 energized -- I really am -- in our belief that these changes  
18 will allow us to have an even better safety focus, to be  
19 clearer in our expectations for our licensees and for  
20 ourselves, to reduce burden where appropriate, to be  
21 responsive to all of our stakeholders in a responsible way.

22 In its criticism the Congress has provided us with  
23 a platform to accelerate our movement in a direction we know  
24 we must go, a direction we ourselves already had decided we  
25 needed to go.

14

1 We talk a lot about risk, and I've sprinkled it  
2 throughout my remarks. And about risk assessment. But  
3 there is a different kind of risk we must assume. Let me  
4 ask you, drawing on the watchwords, to keep in mind the  
5 following thought about risk. This comes from a member of  
6 my staff in fact.

7 You cannot discover new oceans unless you are  
8 willing to lose sight of the shore, but you do have to have  
9 a compass. So please, stay focused on safety, have  
10 confidence, continue to work hard, remain committed,  
11 maintain your conviction, and above all, have the courage to  
12 change, to help us as we move NRC into the next century.

13 This concludes my preliminary remarks, but before  
14 taking questions, I would like to ask my Commission  
15 colleagues to share their thoughts and insights with us,  
16 especially in those areas that they feel very strongly  
17 about. I would like to begin with my colleague Commissioner  
18 Nils Diaz, and then he will be followed by Commissioner  
19 Edward McGaffigan.

20 COMMISSIONER DIAZ: Thank you, Chairman Jackson,  
21 and good morning everyone. The only reason I can speak  
22 right now is because I decided to take a risk-informed  
23 action and not read the paper I was given this morning on  
24 the things I cannot talk about, because if I would have read  
25 it, I would be mute at the present time. So I decided not

15

1 to read it.

2 Let me become serious and tell you that I agree  
3 with the directions that are implied and said by Chairman  
4 Jackson's speech. I think this is a very important turning  
5 point in the agency. Chairman Jackson has elaborated on a  
6 series of very definite issues, and I agree with the  
7 direction that she has pressed.

8 I think before I make a few points I will take a  
9 little your side and look at what is happening. I know that  
10 we had a lot of external reviews. Those come in small  
11 periods of time. They are intense.

12 The actual majority of the work is in the internal  
13 reviews that have been going on. I realize that those have  
14 caused stress and they create work and the Commission is  
15 conscious of all the efforts that have been going on and how  
16 much the staff has been doing in these internal reviews

17 besides the imposition of external reviews which, as I said,  
18 sometimes are small in time and tend to disappear.

19 I have a few phrases that I tried to compose a few  
20 moments ago. They go very simple, like this.

21 In reality, the only thing that we have to fear as  
22 an agency is the fear to change, because if we really look  
23 at it in a risk-informed fashion -- and I am very much for  
24 proceeding to a risk-informed regulatory process -- I think  
25 we can reach the conclusion that the only real large risk to

16

1 this agency right now is not to change. The change is as  
2 necessary as any other aspect of our mission, that we are in  
3 conditions that allow change to happen; that we have the  
4 know-how; that we have the tools, as Chairman Jackson said,  
5 and that change has to occur. It has to be meaningful, and  
6 in many cases it has to be rapid, especially in those areas  
7 where we know how to do it.

8 I realize that risk information has not permeated  
9 this agency throughout. I am asking you to relax and accept  
10 it and take this step forward. Take a drink of  
11 risk-informed regulation and let it go to work in your  
12 system. You never know. You might enjoy it.

13 [Laughter.]

14 COMMISSIONER DIAZ: We have the expertise to  
15 change. It is here; it is available; it is functional; it  
16 has to be put in motion. No matter how much we say here, we  
17 cannot do it. You are the ones that have to do it. So we  
18 look to you, to the leadership in your own workplace,  
19 whether you are a manager or not, to embrace the fact that  
20 change is good and you may even like it.

21 I was looking at some of the things that we use as  
22 phrases. We always hammer our licensees with the fact that  
23 they have to have a questioning attitude. I always get a  
24 little iffy about what questioning attitude means.

25 I don't think there is any doubt that the staff

17

1 has a questioning attitude, and perhaps the Commission  
2 suffers from the same illness or the same strength, whatever  
3 it is. But there is something beyond that attitude that has  
4 to coexist with it, and that is the attitude of solving  
5 issues.

6 So it is not only to have the ability to question,  
7 the ability to reason, the ability to make sure that we are  
8 in this envelope of safety that we call adequate protection,  
9 but to get into an attitude of solving things. This is  
10 sometimes where we question our ability to really rapidly  
11 move into solutions. I think what we are saying is that we  
12 are capable of doing that. The Commission is firmly behind  
13 these changes, and we stand ready to work with you to make  
14 them happen.

15 Thank you.

16 COMMISSIONER McGAFFIGAN: I was sketching some  
17 remarks because I thought the Chairman was going to ask me  
18 to particularly focus on the congressional oversight  
19 committee. So I scribbled some notes here. I will start  
20 there and then I will make a couple other points.

21 The first point I will make is that the attention  
22 from the Congress is not going to go away. This agency has  
23 not had an authorization bill in 15 years. I'll be  
24 surprised if we don't have an authorization bill next year.

25 Sometimes in the Congress, even though there are

18

1 535 members up there, one member can make an enormous

2 difference. Senator Domenici pretty much all on his own has  
3 put us in the spotlight. He is renowned as a tenacious  
4 member of Congress, and his chief staffers Alex Flint and  
5 Dave Gwaltney are wonderful, capable people who are going to  
6 keep asking us hard questions in the coming years.

7 More importantly, our authorizing committees are  
8 going to ask us more questions in the future. I think that  
9 is an opportunity. I think it's an opportunity to fix a  
10 bunch of things in statute. Because we don't get  
11 authorization bills passed, we never think proactively in  
12 terms of, gosh, we've got this statute that is causing us  
13 all sorts of problems. Why can't we get it fixed?

14 One statute that comes to mind is antitrust  
15 reviews. The Commission is united that we should get out of  
16 the antitrust review business, and that is part of the  
17 President's proposal on electric industry restructuring.

18 We have, for better or for worse, been involved in  
19 Superfund legislation and high-level waste legislation.

20 The Congress will challenge us in the new year as  
21 to whether sections 189 and 193 of the Atomic Energy Act  
22 need to be changed with regard to the flexibility of our  
23 hearing process and allow us to adopt more legislative style  
24 hearings rather than the adjudicatory hearings that have  
25 been the norm in this agency.

19

1 The foreign ownership issues that come up that  
2 perhaps should not have to come up.

3 There is a whole host of issues.

4 11(e)(2) byproduct material. The adverb  
5 "primarily." Congress beats us about the head and shoulders  
6 at times as we struggle with what the word "primarily" in  
7 that definition of 11(e)(2) byproduct material means. It  
8 would be nice at times -- and this has come up at Commission  
9 meetings -- if the Congress would give us some  
10 clarification. We have been reluctant to ask for the  
11 clarification because there has been no real mechanism, no  
12 authorization bill to get it passed.

13 In the new Congress we are going to have new  
14 members. There are several retirements in key  
15 subcommittees. Mr. McDade is retiring, on our  
16 appropriations committee on the House side. Mr. Schaefer is  
17 retiring on the subcommittee that oversees us on the House  
18 side. Mr. Bumpers on the Energy Committee. Although that  
19 is not a primary committee of jurisdiction, it's a committee  
20 that is very interested in our work. There could be further  
21 changes as a result of the election that is coming up  
22 because several members who are important to us may well  
23 face tough reelection campaigns.

24 The main point I want to give you with regard to  
25 the Congress is it's going to continue to ask us questions;

20

1 it's going to continue to listen to other stakeholders, be  
2 they the Nuclear Energy Institute, individual licensees, the  
3 Union of Concerned Scientists, public citizen, whoever, and  
4 we are going to have to be much more proactive and  
5 interactive than probably has been the norm in the agency  
6 over time.

7 Commenting more broadly, a couple of years ago  
8 when I first sat up here one of the points that I made was  
9 that, having been here two months, I sensed the difference  
10 in the time constants of this agency and the time constants  
11 of the industry and the external world.

12 The old model was you could have ponderous  
13 utilities dealing with ponderous state utility commissions

14 and a ponderous NRC and everyone was happy, because if we  
15 took forever, they could pass on all the costs anyway. I  
16 did not think that was a viable way to interact going  
17 forward.

18 At the moment there is a lot of emphasis on  
19 timeliness, and I think the emphasis on timeliness in NRC  
20 actions is going to only increase as an industry gets into a  
21 competitive mode where time is money for them. So we are  
22 going to have pressure to make decisions so that we don't  
23 burn licensee money, and to get on with decisions.

24 We are creating at the moment extraordinary  
25 processes in various areas. In license renewal we have an

21

1 extraordinary process. I don't think anybody would call it  
2 ordinary with Chris Grimes and Frank Miraglia and Sam  
3 Collins providing a lot of oversight.

4 In dry cask storage, in order to get some of the  
5 dual purpose canisters past rulemaking and certified, we are  
6 creating extraordinary processes.

7 In AP600, which we are about to wrap up, at least  
8 over the last year there was an extraordinary process.

9 On improved standard tech spec conversions there  
10 has been a lot of focus over the last year.

11 Yesterday at the Commission meeting we heard of an  
12 extraordinary process being put in place to deal with  
13 risk-informed licensing actions.

14 I think the challenge as we go forward is to make  
15 the extraordinary the ordinary and to embed it into our  
16 processes in a way that is honorable. I honestly think we  
17 can make these decisions. This is based on my own  
18 experience in government for 20-odd years.

19 You can make these decisions promptly and well,  
20 and the extra time working the asymptotes, a term that I've  
21 adopted -- it wasn't my original term; I used the term  
22 "working the nth order terms of the equation" -- but working  
23 the asymptotes doesn't really get you that much at times.  
24 It just gets you a bunch of questions as to why we are being  
25 delaying and overly conservative.

22

1 We have to go forward. We have to change. That  
2 has been the theme this morning. We had some of the changes  
3 under way. We had recognized some of it, and I think we  
4 have more change to do.

5 We have a very good document from the staff that I  
6 believe was distributed last week that outlines what the  
7 senior staff's initial thoughts are with regard to the  
8 immediate challenges before us. I guess I will conclude by  
9 saying I hope some of you have read it. You've certainly  
10 seen the stakeholder meeting and the congressional hearing  
11 transcript. We look forward to your comments on whether we  
12 are on the right track in all of these short-term and longer  
13 term actions that we are about.

14 CHAIRMAN JACKSON: We stand ready to address any  
15 and all questions within the parameters that Mrs. Norry has  
16 outlined. I think what we would like to do is to try to  
17 interleave the questions that were submitted ahead of time  
18 with spontaneous questions from those of you present here in  
19 the tent as well as by our various technological hookups.

20 We are ready for the first question.

21 QUESTION: This is a comment I submit to the  
22 Commission. One of the challenges facing us is whether we  
23 as an agency can do our job with less resources. I believe  
24 we can do a good job, perhaps even better job with less

1 this agency.

2 It is widely recognized by the staff that work  
3 products take a long time to get out in this agency. In  
4 1994 several of my colleagues and myself felt encouraged by  
5 the pronouncements made by the Administration for  
6 streamlining work processes at agencies and empowering  
7 frontline workers. Several of us provided suggestions in  
8 the 1994 reorganization to adopt these changes.

9 Little changed then or has changed at the NRC  
10 since that time. So I look at this initiative as another  
11 that will come and go by, and after all is done, not much  
12 will have changed for me.

13 I suggest to the Commission that this time it  
14 should really look at fundamentally changing the work  
15 processes at this agency. This will require going beyond  
16 meeting mandatory constraints such as the staff to  
17 supervisor ratio. It will mean determining and addressing  
18 the obstacles to getting work done efficiently at the agency  
19 and how one can boost the morale and responsibilities of  
20 frontline workers with the goal of increasing the efficiency  
21 of the agency.

22 Thank you for your attention.

23 CHAIRMAN JACKSON: Thank you. That was a comment  
24 and not a question, but I will make a few comments to that.

25 The issue of empowering people is always an

1 interesting one. I think that the ponderousness of  
2 processes in a regulatory agency always relate to being a  
3 regulator, and people are risk averse. As I said in my  
4 opening remarks, we need to be braver about thinking through  
5 and implementing new strategies for accomplishing what we  
6 do, and I have in fact challenged the EC to address this  
7 issue.

8 Commissioner McGaffigan talked about the  
9 extraordinary efforts that have been created in a number of  
10 specific initiative areas and that what he would like to see  
11 is for the extraordinary to become the ordinary.

12 I talked about process mapping. That has  
13 different meanings to different people, but in the simplest  
14 terms it means thinking about the best way to organize work,  
15 to empower people, to have people as the point of contact,  
16 but to hold them accountable. That is something that we are  
17 very focused on. To what degree we will satisfy some of  
18 your historical frustrations is hard to predict, but we are  
19 certainly very committed to trying to address that kind of  
20 issue.

21 Is there another question, please?

22 MR. STEIN: Yes, Chairman, Commissioners. My name  
23 is Mike Stein. I'm with NTEU; also the Office of  
24 Enforcement. Change is important. All organizations  
25 change, continually change. It's vital. It's a matter of

1 life. Organisms change was well. What I didn't hear from  
2 you, though -- I heard rapid change. I didn't hear you mean  
3 change. What I mean by that is change can be an avalanche.  
4 It can wipe out EEO. It can destroy careers. It's  
5 imperative that in any change the human aspect of the change  
6 needs to be taken into account. My question is, how are you  
7 going to be addressing the human factors to the change that  
8 you are contemplating?

9 CHAIRMAN JACKSON: As you know, I'm not going to  
10 talk about specific work conditions and that kind of thing.

11 I think the human part of all of this is the heart of what  
12 we are about. You've heard me talk about the fact that when  
13 we change, we have to change in a responsible manner, and  
14 changing in a responsible manner of course relative to our  
15 mission means staying focused on safety.

16 Changing in a responsible manner also means being  
17 mindful of the fact that the agency is not just bricks and  
18 mortar; it is in fact people. We are well aware of that.

19 Nonetheless, there are any number of decisions  
20 that we are going to have to make that will require people  
21 to let go of some of their old shibboleths about exactly how  
22 things can and should be done, but in terms of our core  
23 values, I certainly intend, and I believe the Commission  
24 intends, for the agency to hold to those, but holding to  
25 core values cannot be an excuse to maintain the status quo.

26

1 COMMISSIONER MCGAFFIGAN: I just might add that  
2 the employees of this agency really are blessed with the  
3 senior career people at the top. Joe Callan and Pat Norry  
4 and Paul Bird and folks like that are always bringing the  
5 human dimension to the Commission's attention.

6 I think it's fair to say, because it's public  
7 information, the Commission itself, recognizing that change  
8 is not going to be easy and that careers may well be  
9 disrupted and there will be reorganizations and that sort of  
10 thing, we did ask for buyout authority as part of the appeal  
11 to the appropriations committee last month. So we are going  
12 to try to be as fair to the people of the agency as we go  
13 about this change as is possible within the federal family.  
14 Your leadership constantly brings the human dimension to our  
15 attention.

16 COMMISSIONER DIAZ: I would like to add that we  
17 are conscious of that human dimension, that we do consider  
18 it. Bringing it up is a good thing because it reminds us  
19 that there are particular differences between the staff and  
20 different needs. We are trying to get attune to the  
21 different needs. We believe that, like everybody has said,  
22 it is the people in here who are our engine. It is the care  
23 that we keep in maintaining that engine that will actually  
24 allow us to make the changes we will need to make.

25 CHAIRMAN JACKSON: Thank you.

27

1 Next question.

2 QUESTION: I have a question that was submitted in  
3 advance. Many staff members are concerned about the  
4 apparent inability of the Commissioners to work together  
5 effectively. Please address this concern as candidly as  
6 possible.

7 CHAIRMAN JACKSON: Thank you. I'm actually glad  
8 that question came up because I think it gives us a chance  
9 to clear the air on a number of issues.

10 Let me preface what I have to say with the  
11 following. You know when the NRC was first created, and  
12 even before then the AEC, a fundamental value that has been  
13 held and a reason that we are always looking to have the  
14 full Commission is that a Commission format is important in  
15 the business we are in.

16 Why is that Commission format important? It's  
17 important because of the opportunity to have a diversity of  
18 opinion come to bear on the issues that the agency has to  
19 address. So you cannot then say that diversity of opinion  
20 is important and then expect when you bring together a group  
21 of talented -- I'll speak for them -- committed and focused

22 individuals that you have mental clones. So yes, the  
23 Commission and the Commissioners will disagree on any number  
24 of things, but in the end we are a Commission, and we do  
25 resolve our differences.

28

1 I'm sure all of you can't wait, and most people  
2 can't, this being Washington, for the Monday morning papers,  
3 particularly the trade press. I'm not going to speak to you  
4 relative to what I feel is the veracity or lack thereof of  
5 what is in there, but in the end the important thing is that  
6 I think all of us operate in good will, and we can have  
7 disagreements. However difficult they are, I think all of  
8 us are committed to working together and in point of fact, I  
9 think our record in terms of the important programs of this  
10 agency is outstanding, particularly in terms of a Commission  
11 that is united in terms of where this agency fundamentally  
12 needs to go.

13 I think my Commissioner colleagues should speak  
14 for themselves in this regard. I'm quite satisfied with the  
15 way we operate, but diversity of opinion is what makes us  
16 strong.

17 COMMISSIONER DIAZ: It is a very good question. I  
18 know people keep coming around and asking about it. Let me  
19 just say that there is no doubt that we have had serious  
20 difficulties in the past two years to address some issues  
21 and to reach some conclusions. For my part, I am a forward  
22 looking person. I think that we have made significant  
23 progress in establishing how we work together as a  
24 Commission.

25 That doesn't mean that we are not going to

29

1 disagree, but the key issue is that in the direction in  
2 which we are going, in the major issues, in how we address  
3 the work, the processes, the staff, the human dimension, we  
4 have a collegial decision that has been reached in most of  
5 those issues, which we all support.

6 If you start going back and looking at things, you  
7 can go on forever. It serves no purpose. We had  
8 differences of opinion. I admit that we had differences of  
9 opinion. I think the point is that on the important issues  
10 we are now converging and converging rapidly, and that is in  
11 the best interest of the agency, and I believe we are all  
12 committed to continue to do that.

13 COMMISSIONER MCGAFFIGAN: I might just turn the  
14 question almost on its head. I think part of working  
15 together effectively is to disagree occasionally. Obviously  
16 the staff has some pretty roaring debates that are  
17 oftentimes invisible to us. I understand on the integrated  
18 review assessment process, IRAP, there were some pretty  
19 roaring debates, and it turned out the Commission repeated  
20 those debates, but I don't think it's fair for you all to  
21 say you can debate and we can't.

22 I also agree with Commissioner Diaz. What is  
23 going to get written up in Inside NRC, Nucleonics Week, et  
24 cetera, are the two-one votes; the three-zero votes get  
25 short play towards the end of it.

30

1 There is a remarkable amount of stuff that we have  
2 been united on, very important things: the Superfund  
3 legislation, the need in decommissioning to get rid of dual  
4 regulation, Part 35 rulemaking, high-level waste  
5 legislation, license renewal. There is a whole host of very  
6 important issues that we agree on. There is the occasional  
7 shutdown rule vote -- I think that one was two-two -- where

8 the Commission doesn't come to agreement, but that is the  
9 nature of a commission.

10 I am totally used to having debates because I come  
11 out of the Congress. Occasionally the Armed Services  
12 Committee reports the defense bill 20 to nothing, but more  
13 typically it reports the defense bill 11 to 9. Most of the  
14 issues are 20 to nothing, but the SDI program or the  
15 Comprehensive Test Ban Treaty or fundamental issues  
16 sometimes have to be fought out.

17 I think part of being an effective Commission and  
18 working effectively together is to debate the issues just as  
19 the staff debates the issues. Out of that will come a  
20 better process.

21 CHAIRMAN JACKSON: One last comment from me. Let  
22 me give you some insight into how I am. From time to time I  
23 get calls from reporters, but they don't call me so much,  
24 because I'm not focusing on what the count is and where the  
25 fissures are, because in the end we have a collegial

31

1 decision-making process. My analogy is to the Supreme  
2 Court. The Supreme Court can make a ruling that is nine to  
3 zero, seven to two, or five to four, but in the end that  
4 decision is the law of the land.

5 So I'm clear, and I have a responsibility as  
6 Chairman to see that the staff carries out Commission  
7 policy, whatever that is. That is true whether I'm on the  
8 three side of a three-two vote or the two side or a  
9 three-two vote, because I believe in the process, and the  
10 process, as the Commissioners have said, works.

11 In the end, we in the end influence each others  
12 points of view anyway even if the votes are allegedly  
13 three-two, two-one, and so the product that you get really  
14 is from a collegial decision-making process, and I am  
15 committed to seeing to it that the agency carries out the  
16 staff's policy. I think you should be proud of the  
17 Commission and proud of yourselves. What we need to do, as  
18 Commissioner Diaz has said, is to look forward and not spend  
19 time looking back, because we certainly are looking forward.

20 We are ready for the next question.

21 QUESTION: A couple of years ago, Chairman  
22 Jackson, when we were having a different budget problem, you  
23 said that, well, you would look at what Congress gave us and  
24 go on and prioritize our programs and everything and tell  
25 them, this is what we can do with what you gave us, and if

32

1 you want us to do all these other things, you need to  
2 provide us further resources. I wanted to know if this was  
3 still your attitude, those of you on the Commission, or  
4 whether things have changed.

5 Thank you.

6 CHAIRMAN JACKSON: My point of view is this. The  
7 point of prioritizing is to be clear on what we think is  
8 core. At the same time, if we become better -- and we are  
9 becoming better both at how we organize our work as well as  
10 in how we plan -- then we find that honestly there are some  
11 things that can go off of the plate.

12 It is also true that we have to have a certain  
13 baseline funding in order to carry out our jobs, and the  
14 Commission is committed to fighting to ensure that we have  
15 the resources that we need. But that is a separate  
16 statement than the issue of whether we can in fact  
17 streamline what we do, be more cost effective in how we do  
18 things, that we can make use of the investment in certain

19 tools that are under development, such as ADAMS or STARFIRE,  
20 as well as process improvements that others have in fact  
21 spoken to, to be smarter in how we do things.

22 Fundamentally, being risk informed from the point  
23 of view of the thrust of our regulatory programs allows us  
24 to prioritize in a way where we don't lose sight of what is  
25 fundamental, and that is what we are here to do and to

33

1 preserve and to fight for. But that is different than  
2 saying that the way that we have done things in the past or  
3 the status quo is what has to happen.

4 My last comment is that in the end -- and  
5 Commissioner McGaffigan has spoken to this -- we have to be  
6 realistic about what the situation is that our licensees  
7 face as well as the situation that we face in terms of  
8 expectations of us from the Congress. We are operating in a  
9 multivariable situation. One optimizes, and that is  
10 precisely what we are doing.

11 Commissioner Diaz.

12 COMMISSIONER DIAZ: Eventually what we want to do  
13 is increase the credibility of not only our processes but  
14 our budget in a manner that when the interaction takes place  
15 with Congress, if it does, there will not be significant  
16 gaps. That is part of what is happening right now. We are  
17 increasing the credibility and efficiency of our processes  
18 so that significant gaps in the way that we actually work  
19 are not large.

20 COMMISSIONER MCGAFFIGAN: I have very little to  
21 add. It's a good question. We are clearly going to end up  
22 in the coming year with about \$17 million less than we  
23 requested. We are going to absorb the pay raise, as all  
24 agencies are. Hopefully it's going to be 3.6 rather than  
25 3.1 percent. Hopefully for you; it won't affect us. But

34

1 that will mean another \$1 million that has to be absorbed.

2 We are going to end up doing less. Some of the  
3 areas we are going to end up doing less in is inspection.  
4 We are going to do less inspecting next year than we have  
5 this year. We are probably going to devote less resources  
6 to assessment next year than we did this year. We now think  
7 that can be done and it makes sense, and the senior managers  
8 are telling us it can be done.

9 There are some places we are going to do more. We  
10 are going to probably ask you to process more licensing  
11 actions next year than you did this year.

12 As I said earlier, we are going to ask the Spent  
13 Fuel Projects Office to get more done in the way of getting  
14 dual purpose canisters across the finish line.

15 One thing we had better darn well do is keep to  
16 the 585 day schedule for the Oconee and Calvert Cliffs  
17 reviews for the SER and the EIS. That is an historically  
18 difficult thing for this agency to do.

19 We have successes. The AP600. We are there in  
20 getting AP600 across the finish line. That took an  
21 extraordinary effort of the staff, and we appreciate that.

22 I think we can get what we need done with the  
23 resources we are going to be provided next year, but it is  
24 going to be tough, and there are some things that we are not  
25 going to get to. We agonize at times over those in a budget

35

1 process that maybe is invisible to many of you, but we do  
2 try to do the right thing in allocating the resources that  
3 we have remaining to meet the priorities that we see.

4 CHAIRMAN JACKSON: Let me make a couple more

5 comments. I'm going to be straightforward with you. I  
6 think it is very important so that there is the least  
7 confusion as possible.

8           You hear us talk about what to some people may  
9 sound like buzzwords, being risk informed. At the same  
10 time, we've pressed very hard and I've worked many hours  
11 with the senior managers on putting into place a new  
12 infrastructure for planning and budgeting and measuring the  
13 results of what we do, and to try to be outcomes oriented.  
14 When you have your day-to-day job doing technical reviews or  
15 licensing actions or inspecting or typing manuscripts,  
16 whatever your job is, this sounds like so much poppycock.

17           Commissioner McGaffigan ran through a list of  
18 things, and that is part of the tasking memo that I sent to  
19 the staff and the response from Mr. Callan. There are any  
20 number of specific things that we are going to do and do  
21 within an accelerated time frame, giving more emphasis to  
22 certain things and less emphasis to others.

23           But in the end, I feel that the greatest thing I  
24 can do for NRC is to ensure that the right legacy is left  
25 behind, and that legacy has to do with having the right

36

1 people in place, the right managers for doing the various  
2 critical elements of our mission, that we have the right  
3 staff, that people are oriented the right way.

4           A big part of that is to have the right kinds of  
5 tools and ways of doing things that allow us to deal with  
6 whatever we have to deal with, to deal with contingencies as  
7 they arise, to deal with emergent issues or activities as  
8 they arise, to adjust to budget vicissitudes as they arise,  
9 because all of these things are part of the reality of life.  
10 They are part of the reality of life whatever sector of the  
11 economy one works in, and increasingly it has become part of  
12 the reality of life here.

13           If we are going to be able to respond, to make  
14 adjustments to deal with contingencies that arise, we have  
15 to be clear on what is core, what is fundamental. That is  
16 why we are talking about becoming more risk informed. And  
17 we have to make adjustments as they come, because if we  
18 don't, then we tend to get overwhelmed and we are not able  
19 to make whatever justifications we need to make for what we  
20 do.

21           Early on, when I was first here at NRC as Chairman  
22 the first budget that I had to deal with was not a budget  
23 that I had anything to do with putting together, and the  
24 Congress came along with a \$52 million cut in our budget,  
25 heavily because we had a certain amount of carryover money

37

1 that was just hanging out there as kind of an obvious  
2 target.

3           So there was this discussion of writing a reclame  
4 letter, which is the way you write back and say to the  
5 appropriators, oh no, please don't cut this money.

6           I would say, well, where is the line in the sand?  
7 Where is the health and safety line in the sand such that I  
8 know and I can say credibly that if we go below this we  
9 can't do our jobs?

10           I will tell you honestly there was too much  
11 squirming around in the seats when I would ask that  
12 question. So what we have been doing relentlessly since  
13 that time is establishing what that credible line in the  
14 sand is both from the point of view of what is core to our  
15 mission and what is core to our ability to carry out that

16 mission, because that is the way you go forward. I will  
17 stand up and take whatever bullets I have to take with or  
18 without a flak vest to defend that. But we have to be clear  
19 on what that core is and what it takes to carry it out.

20 That also allows us to be clear on what the cost  
21 of new investments are to allow us to either deal with  
22 specific initiatives or fundamental investments, to allow us  
23 to do our jobs in a smarter, more efficient, more focused  
24 way. And I will fight equally for that, but it requires a  
25 knowledge and a confidence that we are clear about what is

38

1 fundamental, about what it takes to do what is fundamental,  
2 and that we are clear about what the resources are that are  
3 required. That is where we are.

4 Is there another question?

5 QUESTION: Chairman Jackson, while it is  
6 commendable that the Commission is seeking staff  
7 participation on these subjects, the all-hands meeting does  
8 not really provide a forum that is conducive to getting  
9 input from the staff. Perhaps after listening to these  
10 presentations by the Commissioners an e-mail address could  
11 be created where the staff could provide their input on  
12 topics germane to the discussion.

13 CHAIRMAN JACKSON: You heard me in my remarks  
14 indicate that the Commission is open to hearing from the  
15 staff both if you have concerns relative to safety issues a  
16 la the open door policy or if you have suggestions to make  
17 to us. I think we are all reachable through the normal  
18 e-mail process, but if not, we can look into ensuring that  
19 that avenue exists.

20 At the same time, as some of you may know because  
21 you may have met with me, I've been having Chairman/staff  
22 dialogues in order to have more face-to-face meetings with  
23 smaller groups of employees in order to hear directly from  
24 you, and my intent in fact is to accelerate and to try to  
25 pack more of those into what admittedly is an already packed

39

1 schedule.

2 Beyond that, the senior managers following this  
3 meeting -- and it's not again a special mechanism; it's  
4 beginning that way -- I've asked them to inculcate this as  
5 part of their everyday way of doing business, but they on  
6 their own have developed a communications plan to in fact go  
7 out and talk with and hear from NRC staff beginning with the  
8 senior managers talking to the managers who report to and  
9 work with them, and so on.

10 Beyond that, Mr. Callan tells me that his style in  
11 fact is one where he prefers to be able to walk around and  
12 deal more directly with all of the employees. His intent is  
13 to do that, and I think we at the Commission are going to  
14 have to exercise some discipline to free up more of his time  
15 so that he can do that.

16 I think we will be sure that the communication  
17 channels exist for the direct communications with the  
18 Commission. As I say, I intend to accelerate the  
19 Chairman/staff dialogues, because we do want to hear from  
20 you in terms of recommendations. They will be fed back into  
21 the process; we will consider all of those suggestions.

22 If there are thousands, you may not hear direct  
23 responses, but we will be considering whatever  
24 recommendations and suggestions people have to offer, and  
25 they will inform our own thinking as well in terms of our

40

1 decision-making, as well as providing an opportunity to give

2 direction to the staff.

3 COMMISSIONER MCGAFFIGAN: I just might point out  
4 that we recognized in the Chairman's original announcement  
5 of this meeting that this is not the ideal forum for many  
6 folks. If there any suggestions that any of you have as to  
7 how to get a process working other than our e-mail  
8 addresses, which are, as the Chairman said, widely known, or  
9 coming to our offices, I would be open to it. I think the  
10 whole Commission would be open to any useful suggestion.

11 I think debate within the staff is good. The one  
12 frustration Commissioners sometimes have -- I think this  
13 includes the Chairman -- is we don't have a lot of  
14 visibility into that roaring debate that sometimes occurs  
15 within the staff.

16 All staff recommendations do not have to be  
17 consensus staff recommendations. I think the Commission as  
18 a whole complimented NMSS on a paper recently with regard to  
19 cleanup standards for uranium recovery facilities, uranium  
20 in situ facilities, because there was a staffer who laid out  
21 a different perspective. We ended up not agreeing with him,  
22 but he did bring to the fore a bunch of points that were  
23 very valuable with regard to the way some of these models  
24 can be manipulated to bring about the result you want.

25 One thing I would urge is that if there are

41

1 minority views on the staff, let's hear them. Occasionally  
2 the Commission may agree with the minority and not with the  
3 majority. We've done that already on occasion.

4 CHAIRMAN JACKSON: More questions.

5 QUESTION: Chairman Jackson, could you address why  
6 the agency needs ADAMS and STARFIRE?

7 CHAIRMAN JACKSON: ADAMS and STARFIRE are two  
8 examples of what I call fundamental infrastructure  
9 investments that the agency needs to make in order to be  
10 able to work smarter, work in a more cost-effective way, and  
11 to work faster.

12 STARFIRE provides us with an opportunity to have  
13 an agency-wide resource management system that can save us  
14 time, that allows for consistency in terms of how budgeting  
15 is done.

16 You may not know that part of our budget process  
17 is done by hand essentially, and in this day and time there  
18 is no excuse for that. It allows us to integrate personnel  
19 as well as financial data, and it's going to be a  
20 fundamental tool in our ability to carry out and refine the  
21 planning framework that has been under development,  
22 including the development and use of operating plans.

23 ADAMS in a certain sense should almost speak for  
24 itself. We are a very paper-intensive agency. Sitting at  
25 the Commission, one can see the effect of that. There is

42

1 one document we get and then one may ask for some  
2 information that essentially overlaps with or contains much  
3 of what we got before and is yet another new document. So  
4 this allows an ability to have full text retrieval  
5 capabilities, electronic storage, to allow individual and  
6 group development of documents, et cetera.

7 It's a fundamental enabling infrastructural  
8 investment. It will allow us to do better recordkeeping, et  
9 cetera, and it should allow for more consistency in terms of  
10 what databases we operate from, what information everybody  
11 has, so that we are all literally reading from the same  
12 page. An electronic page in this instance, but we are all

13 reading from the same page.

14 That is the virtue. It is the fundamental  
15 architecture for this agency in terms of how it handles  
16 documents.

17 COMMISSIONER MCGAFFIGAN: I might also add that I  
18 think this agency in STARFIRE and ADAMS is at the forefront  
19 of trying to use commercial, off-the-shelf technology.  
20 That's a fancy word, but that means we are really just  
21 trying to take stuff that is already being used successfully  
22 elsewhere, including in the private sector or similar  
23 models, and build it into our processes. We are trying to  
24 keep abreast of these fundamental infrastructural  
25 information technologies. Although we are not pushing the

43

1 state of the art, we are trying to buy commercial,  
2 off-the-shelf systems that will help us function.

3 CHAIRMAN JACKSON: Another critical virtue built  
4 into all of this is the fact that as part of our process,  
5 the CPIC process, for how this kind of architecture is  
6 developed and the technology is deployed is in fact a  
7 built-in requirement that forces us to examine our  
8 processes, that is, how we do things, and to optimize those  
9 and to be clear about what the requirements are for the use  
10 of new systems up front.

11 That again is part of all of where we want to go  
12 in terms of sharpening how we go about doing our business  
13 and being more efficient. It is not just the technology  
14 itself, but it is the whole way that it is developed and  
15 deployed, and we hope that over time that will in fact have  
16 a beneficial effect in terms of overall thinking.

17 I talked about process mapping as part of my  
18 remarks about thinking about how we do things and think of  
19 the best ways to accomplish the task. That has many  
20 tentacles, but a fundamental one is one having to do with  
21 how the work is organized, and that all plays into all of  
22 this.

23 Yes.

24 QUESTION: Madam Chairman, members of the  
25 Commission, could you comment briefly on what we may need to

44

1 do to develop further skills in the analytical field and  
2 further empirical information as a basis for effective  
3 risk-informed regulation?

4 CHAIRMAN JACKSON: Could you repeat the question.  
5 I didn't hear the first part of it.

6 QUESTION: Whether we need to develop further  
7 analytical skills and empirical information as a basis for  
8 effective risk-informed regulation.

9 CHAIRMAN JACKSON: The answer is yes. I'm going  
10 to let my colleague Dr. Diaz speak to some of this and then  
11 I'll make a few remarks.

12 COMMISSIONER DIAZ: It is obvious that we are in a  
13 technical agency that has developed a series of skills in  
14 many areas. Even those skills are now being reanalyzed. We  
15 have realized that in thermal hydraulics we actually need to  
16 do things differently. The fact that we are a technical  
17 agency requires skills grading all the time.

18 I think what your question refers to is, can we  
19 culturally address the issue of risk information as a part  
20 of our technical know-how? I think we are doing some things  
21 in that respect, training, and so forth. I'm not convinced  
22 that we are doing enough, but what I think the Commission  
23 has been saying is we need to get the feedback from that  
24 area; we need to see how we need to effect better training.

25 I am a firm believer that we need to become much

45

1 more cognizant, which is a Navy word, for becoming  
2 technically risk informed. There is a difference between  
3 just having a policy of risk informed and being technically  
4 risk informed. We need to have a core of substantially  
5 risk-informed technicians that can practice not only the  
6 PRA, but the application of risk information.

7 COMMISSIONER MCGAFFIGAN: We just had a briefing  
8 yesterday in the Commission about the PRA implementation  
9 plan. Obviously many people are getting some exposure to  
10 PRA and how it may affect their lives. Probabilistic risk  
11 assessment.

12 We also are developing empirical information.  
13 AEOD has several outstanding recent studies that are going  
14 to help us on the path to risk informing some of our  
15 processes, bringing real analytical data into our processes.

16 The answer is yes, we are doing it. There  
17 probably is more we could do, and we are open to  
18 suggestions.

19 COMMISSIONER DIAZ: Something just occurred to me.  
20 It is something that many of you will be able to relate to.  
21 This decision of being risk informed is not too different  
22 from the decision that a reactor operator has to make some  
23 time on going critical. People think that criticality is  
24 something that happens. The reality is that we don't want  
25 criticality to happen just because it happens. We want

46

1 criticality to be achieved by a conscious, determined  
2 programmatic decision.

3 You would be surprised that when a decision is  
4 made we are very little time at criticality. We always pass  
5 by it and go supercritical, which maybe is what we want to  
6 increase power, or we might try to go critical and still  
7 remain subcritical.

8 Becoming risk informed is not too different.  
9 There has to be a decision made that we are going to do  
10 that. We are going to sometimes go supercritical; sometimes  
11 we are going to go subcritical. The bottom line is that it  
12 has to be a programmed conscious decision to become risk  
13 informed, and that implies that we have to have the skills  
14 to be able to do it.

15 CHAIRMAN JACKSON: My basic overall answer to the  
16 question is that the first thing that has to happen, which I  
17 think both Commissioners have spoken to, is there has to be  
18 essentially a culture change, a change in mind-set about  
19 being risk informed. We have to recognize that there are  
20 various risk assessment methodologies that exist in variable  
21 degrees of sophistication and development, but they do exist  
22 to allow us to quantify risk or to evaluate relative risk  
23 associated with various activities and various aspects of  
24 activities that we license and regulate that allow us to  
25 aggregate risk. In short, allow us to organize our thinking

47

1 about where the greatest risks are, how significant they are  
2 from the point of view of public health and safety.

3 Having understood that, we then have to put more  
4 effort and thought into how to use such methodologies, both  
5 the quantitative as well as qualitative ones, and how to  
6 incorporate them and use them to migrate our regulatory  
7 framework. That takes training, but it takes a conscious  
8 decision to make use of them and to deploy them in our  
9 regulatory framework.

10 I would just make a last comment, and that is,  
11 being risk informed does not just mean being PRA informed.  
12 It has different subtleties as well as some differences in  
13 methodology, depending upon what aspect of our regulatory  
14 framework we are talking about.

15 It could be as simple as being organized in how we  
16 go through and think about risk, and it doesn't mean  
17 necessarily doing a sophisticated PRA calculation but just  
18 being very structured and organized in going through the  
19 issue of looking at relative risk and where the risk is  
20 greatest.

21 COMMISSIONER DIAZ: In case I missed the bottom  
22 line of the question, I believe the Commission realizes that  
23 we have to make an investment in personnel in becoming more  
24 risk informed. I think that is obvious.

25 CHAIRMAN JACKSON: Exactly.

48

1 Is there another question?

2 QUESTION: This question deals with the supervisor  
3 to employee ratio. Why not reduce the number of management  
4 instead of the number of direct staff to get the workforce  
5 to the one to eight supervisor to employee ratio?

6 As recommended in the Tim Martin study for  
7 Congress, the deputy directors and other positions could be  
8 eliminated, and this would allow more inspectors and other  
9 workers to keep their jobs. The branch chiefs would fill in  
10 for the directors when they are not available. This would  
11 also result in the ability to keep more level 15 positions,  
12 which are becoming rarer, and better ability of lower grades  
13 to move up the ranks. Although this idea is painful to the  
14 SES personnel who will make the decisions, it follows more  
15 closely with the initiatives implemented by industry and  
16 cutting edge government agencies who are trying to empower  
17 employees and streamline work processes.

18 CHAIRMAN JACKSON: Would you read the first part  
19 of your question again?

20 QUESTION: Don't shoot the messenger, please.

21 [Laughter.]

22 QUESTION: Why not reduce the number of management  
23 instead of the number of direct staff to get the workforce  
24 to the one to eight supervisor to employee ratio?

25 CHAIRMAN JACKSON: That's right. That's what

49

1 we're doing. Thank you.

2 QUESTION: Thank you.

3 [Laughter.]

4 CHAIRMAN JACKSON: Is there another question?

5 From the regions, hello out there.

6 QUESTION: This is a question from Region III.

7 The following was printed in a newspaper last week:

8 Hutchison Island, Florida. NRC officials said at  
9 a meeting last week with Florida Power and Light officials  
10 that the agency is ending its systematic assessment of  
11 licensee performance program at the direction of Congress.  
12 The occasion was a meeting to discuss the latest SALP report  
13 which gave the St. Lucie plant ratings of superior in two  
14 areas and good in the other two rated.

15 Question: Is SALP ending? When will it end?

16 CHAIRMAN JACKSON: The situation is the following.  
17 As part of the response to the tasking memo a recommendation  
18 has been made that we temporarily suspend SALP, both from  
19 the point of view or a prioritization of various activities  
20 and initiatives and the efforts it takes, and the Commission  
21 is considering that.

22 More broadly, what happens to SALP is going to be  
23 derived from what comes out of the review of the reactor  
24 assessment process, because in the end that will determine  
25 what our regulatory program is going to be and how we are

50

1 going to do reactor oversight.

2 All I am really saying is any decision in terms of  
3 a permanent cessation of SALP is going to rest with what the  
4 ultimate recommendations are and the Commission decision  
5 relative to what the fundamental reactor oversight program  
6 is going to look like.

7 QUESTION: A question from Region IV. Please  
8 provide any insight on the status of nominations of a full  
9 Commission.

10 CHAIRMAN JACKSON: As you know, Greta Dicus,  
11 former Commissioner at the moment, has been nominated by the  
12 President to serve another term on the Commission. At the  
13 same time, the Republican leadership in the Congress and the  
14 White House are working through a possible nominee or  
15 nominees to the Commission and vetting such candidates.  
16 When that is done, the expectation is that the two  
17 nominations will come through together.

18 QUESTION: This is tough question for Commissioner  
19 McGaffigan, so I would like to remain anonymous.

20 [Laughter.]

21 QUESTION: In your recent testimony to Congress,  
22 Commissioner, you stated what makes this agency strong is  
23 the openness. The Commission recently directed the staff to  
24 proceed with rulemaking on potassium iodine. In that SRM  
25 the Commission also directed the staff to issue for public

51

1 comment its technical assessment of the use of KI, which was  
2 included in the Commission package. The staff followed the  
3 direction given in the SRM to the letter. Two weeks ago you  
4 were quoted in Inside NRC to have said that that technical  
5 report should be withdrawn. This came as a surprise to the  
6 staff.

7 Would the Commissioner care to comment on this  
8 change to your position not reflected in the SRM and whether  
9 the Commissioner has confidence in the staff to pursue  
10 clarification directly with the staff rather than through  
11 less direct but "open" means such as Inside NRC?

12 COMMISSIONER MCGAFFIGAN: I'll address that very  
13 directly. I think it is fair to say that the staff did what  
14 the Commission told it to do. Would I vote to do that  
15 today, having read that paper, which I had not done? No.

16 The paper, as one staffer who came to my office  
17 under the open door policy pointed out to me, was not  
18 drafted to be supportive of the policy that the Commission  
19 decided on at the end of June. I did not focus at the end  
20 of June.

21 We have this tendency around here. I hereby  
22 announce that I will not ask my colleagues in June of 2000  
23 when my term is scheduled to end to rush a bunch of votes.  
24 We tend to do that around here, and we regret it. When  
25 Commissioner Rogers left we made a couple mistakes which we

52

1 fixed.

2 I regard the June 26th SRM as a mistake with  
3 regard to the publishing of that report, which I will admit  
4 I had not read; if you have read all of our votes, the full  
5 voting record, a mistake with regard to the one sentence in  
6 there describing what we wanted done in the way of fixing

7 the Federal Register notice. I am hoping to vote today to  
8 give you what I think the Federal Register notice should  
9 read like, and it is consistent with my vote, with  
10 Commissioner Dicus' vote, Commissioner Diaz', and the  
11 Chairman's.

12 I think in that case what I said to the person who  
13 came to my office is if there is a disconnect between the  
14 votes and the SRM, there has got to be some mechanism where  
15 you come back to us and say, do you really mean this? I  
16 don't know what that mechanism is.

17 SRMs have lives around here and it's appropriate;  
18 it's the Commission mechanism for talking with you; but I  
19 have SRMs from 1980s and 1990s at times thrown at me when I  
20 advocate, well, why can't we have a more open dialogue with  
21 stakeholders on pre-decisional papers, and clearly the  
22 Commission in the past -- AP600 is a good example Frank  
23 Miraglia pointed out to me -- has said on the new advanced  
24 reactors don't come to us at every milestone and don't  
25 share. Commissions in the past give a bunch of guidance.

53

1 The specific answer to your question on KI. I was  
2 asked a direct question by a reporter. I tend to answer  
3 direct questions. Because of other things the last couple  
4 weeks, budget and other papers that I've had to vote on, I  
5 have not finished my KI vote, but the vote will say that the  
6 Federal Register notice that was submitted to us in July,  
7 consistent with the letter or the SRM, needs more work and  
8 that that paper, which I believe is flawed in many respects  
9 and we should have recognized it was not consistent with the  
10 policy position that we were taking, should be withdrawn.

11 I'm sorry that you heard about it through Inside  
12 NRC. I had had some conversations with some of the staff  
13 prior to the Inside NRC. So for a few folks it wasn't news,  
14 but I guess for many it was.

15 CHAIRMAN JACKSON: I thank you for your  
16 willingness to ask such questions as well as the earlier one  
17 about Commission dynamics. I think it's important to clear  
18 the air.

19 Are there any other questions?

20 QUESTION: Chairman, Commissioners, we've had a  
21 lot of discussion today and on previous occasions about risk  
22 information and trying to factor that into our decisions.  
23 The one thing that is apparent in our focus on this risk  
24 information is we may not be taking all risks into account  
25 in our focus on this topic. We tend to focus on safety and

54

1 health issues, but there are other risks that are pertinent  
2 to our decision-making. These are risks associated with  
3 public acceptance, public reaction, and politics.

4 In the decommissioning arena, where we have an  
5 arena that is very high public visibility, very motivated  
6 citizens in the vicinities of those facilities, if we were  
7 to strictly look at safety and health risk, we could  
8 probably say the vast bulk of decommissioning regulations  
9 should not be addressed, but when you look at the adverse  
10 reaction and motivative reactions by the news media,  
11 concerned citizens, the state and local governing officials,  
12 the risk that we take into consideration in that arena goes  
13 beyond just safety and health risk, and I suspect that is  
14 probably true in other arenas as well. So when we move into  
15 this area, I would recommend that we take that into  
16 consideration as well.

17 CHAIRMAN JACKSON: I thank you for that comment.  
18 I would make two comments relative to decommissioning.

19 Of course everything is relative, but I believe  
20 the Commission took a bold step when it issued the license  
21 termination rule. While some might feel it's still not  
22 sufficiently risk informed in the way that you describe,  
23 nonetheless it is one that in the Commission's considered  
24 judgment moves us in a direction we need to go.

25 At the same time, the very fact that you have a

55

1 Commission and the way our government operates says that we  
2 don't operate in a vacuum, and so a Commission by definition  
3 is going to take and weigh all of the various quantitative  
4 inputs as well as qualitative inputs and make a judgment  
5 that rests in the law, that rests on the scientific and  
6 engineering basis that we have, but it will in the end be  
7 making a public policy decision. So by definition we do  
8 that because we are a public health and safety agency, but  
9 we do make a public policy decision.

10 At any given time any decision some may feel does  
11 not go far enough in terms of adequate protection, and there  
12 will be others who believe that a decision goes too far.  
13 The Commission will always make the best judgment it can  
14 resting on the database that it has and move forward on that  
15 basis, but it is a public policy decision.

16 Commissioner Diaz.

17 COMMISSIONER DIAZ: Thank you for the question. I  
18 am very concerned with the fact that sometimes we just look  
19 at the technicality of an issue. There is risk to the  
20 public in not only our decisions, processes, announcements,  
21 and I do believe that we have to become more conscious of  
22 those processes, take them into consideration and actually  
23 address the risk to the public from whatever announcement,  
24 whatever policy, whatever decisions we do, and that should  
25 be a normal process in this agency. At the highest possible

56

1 level we should be responsible for how we address risk in  
2 everything we do.

3 CHAIRMAN JACKSON: If we get it right in terms of  
4 how we do risk assessment and our ability to discuss  
5 relative risk, it affords us the opportunity to communicate  
6 more clearly just that, the relative risk. I think we do  
7 need to be clearer in how we do that, but at any given time,  
8 as I say, we are making what are essentially public policy  
9 decisions.

10 COMMISSIONER MCGAFFIGAN: I just might add that  
11 I'm not sure decommissioning is the best area to cite. I am  
12 proud of the structure of regulations we have in place for  
13 decommissioning, the 25 millirem, all pathway standard, the  
14 allowances for restricted release with up to 100 millirem  
15 provided that the average member of the critical group still  
16 gets less than 25 millirem, et cetera. We have a good,  
17 sound framework for making decommissioning decisions.

18 I would strongly suggest that if there is any  
19 political element to this you leave the politics to the  
20 political appointees and that you try to make judgments  
21 based on public health and safety. And we are. In Moab and  
22 other places we are criticized. It is not the end of the  
23 world for a decision of this agency endorsed by the  
24 Commission to be overturned in the Congress. I know all of  
25 you think that it probably is, but it is not the end of the

57

1 world.

2 If Congress chooses to spend \$100 million to do  
3 something that we don't think is required for public health

4 and safety and we respectfully say that to them and they  
5 decide something else, okay. They are our bosses, and we  
6 will then do it.

7 I would strongly urge you to live within the  
8 framework of the decommissioning rules that we have in  
9 place, that I'm proud of, and I think thus far we are doing  
10 exactly that.

11 I think I saw something in the paper the other  
12 day. I wish I remembered the woman's name. She's from New  
13 Mexico. She is the President's nominee to be the  
14 Commissioner of the Food and Drug Administration.

15 CHAIRMAN JACKSON: Dr. Henney.

16 COMMISSIONER MCGAFFIGAN: She was quoted by  
17 somebody, an admirer, talking about an advisory group  
18 meeting when she was the deputy commissioner a few years  
19 back, basically telling a bunch of scientists who were  
20 worried about the politics of whatever issue they were about  
21 to make advice to the FDA on. She basically said to them,  
22 calm down, leave the politics to us; you try to tell us what  
23 the right thing to do is from a health and safety  
24 perspective. I think that is very good advice. So you do  
25 the right thing.

58

1 I hope we don't let politics get into those  
2 decommissioning decisions, that we don't second-guess the  
3 staff. We have not thus far, but I can't tell you that we  
4 will not be second-guessed as an agency externally, and  
5 we'll just have to live with that.

6 CHAIRMAN JACKSON: I think many times the easiest  
7 way to get into trouble, and I think where we have been  
8 criticized and I think in some instances justifiably so, is  
9 not being clear on what our standards are, what our  
10 requirements are, whatever they are, and being clear on how  
11 we have arrived at them. So the best thing we can do is to  
12 have a coherent process where we clearly arrive at what we  
13 feel are the justifiable requirements or standards, to  
14 clearly articulate them, be willing to lay them out, and to  
15 make sure that what we do is consistent with what we in fact  
16 lay out. Not everybody is going to agree on either side,  
17 but people will at least respect you and understand what you  
18 are trying to do.

19 Are there other questions?

20 [No response.]

21 CHAIRMAN JACKSON: I think we have enjoyed it. I  
22 hope you have. This won't be the last communication. We  
23 talk about being efficient. This is a good way to get a lot  
24 of input at one point in time. So we look forward to  
25 continuing our discussions with the rest of the staff this

59

1 afternoon.

2 Thank you very much.

3 [Applause.]

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

6  
7  
8  
9  
10  
11  
12  
13  
14  
15