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NUCLEAR REGULATORY COMMISSION  
OFFICE OF THE SECRETARY  
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NRC ALL EMPLOYEE MEETING

Nuclear Regulatory Commission  
One White Flint North  
Green Plaza Area  
11555 Rockville Pike  
Rockville, Maryland

Wednesday, June 21, 2000

The Commission met in open session, pursuant to notice, at 10:30 a.m., the Honorable RICHARD A. MESERVE, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

- RICHARD A. MESERVE, CHAIRMAN
- GRETA J. DICUS, Member of the Commission
- NILS J. DIAZ, Member of the Commission
- EDWARD MCGAFFIGAN, JR., Member of the Commission
- JEFFREY S. MERRIFIELD, Member of the Commission

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STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE  
PATRICIA NORRY  
KAREN VALLOCK  
STU RIDER  
GREGG HATCHETT  
SALLY ADAMS

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P R O C E E D I N G S

[10:30 a.m.]

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3 MS. NORRY: Good morning. For those of you who  
4 are standing, there are lots of seats down front, and the  
5 Commissioners have said that they are not that intimidating,  
6 so it's okay to sit down front.

7 I'd like to say good morning, and to welcome all  
8 of you to this 9th All Hands Meeting with the Staff and the  
9 Commission. With the exception of 1993, we've done these  
10 every year since 1991.

11 We have, in addition to Headquarters, we have the  
12 Regions who are viewing this on video. We have TTC also  
13 viewing on video, and the remote sites who are coming in by  
14 audio.

15 After the Chairman makes his remarks, there will  
16 be time for questions. There are microphones placed  
17 throughout the tent for those questions.

18 In addition, we handed out question cards. If you  
19 have those and you would prefer to write your question, just  
20 pass it into one of the Staff, and we'll give it to the  
21 people who will be reading the questions.

22 And these questions, as well as those that have  
23 been phoned in from the Regions, will be read by our two  
24 volunteers this morning. Where are our volunteers? Oh,  
25 they're behind the curtain, okay.

4

1 So I'd like to introduce Karen Vallock from NMSS,  
2 and Gregg Hatchet from NRR, who have volunteered to read the  
3 questions, thank you.

4 I'd also like to acknowledge that there are  
5 officials of the National Treasury Employees Union here with  
6 us today; as well, Bill Travers, the EDO; Jesse Funch is the  
7 CFO, and Stu Rider, the Acting CIO.

8 Questions pertaining to labor relations, personnel  
9 policies and practices, are better addressed through the  
10 Agency Partnership process, and we will make sure, through  
11 the Agency Partnership, that we address any such questions  
12 that you may have.

13 And now I'd like to introduce Chairman Meserve and  
14 turn the meeting over to him.

15 [Applause.]

16 CHAIRMAN MESERVE: Thank you, Pat. Good morning  
17 and welcome to this special meeting of the Commission with  
18 the NRC staff. As you know, these All Employees meetings  
19 have been held annually since 1991, when former Chairman

20 Ivan Sellon held the first such meeting shortly after he  
21 assumed the responsibilities of the NRC Chairman.

22 Then as now, these sessions are intended to  
23 facilitate communication between the Commission and the  
24 Staff, and to provide the Commission with an opportunity to  
25 learn firsthand, of your views, questions, and concerns.

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1 Joining me on the platform today are my  
2 colleagues, Greta Dicus, Nils Diaz, Ed McGaffigan, and  
3 Jeffrey Merrifield, all of whom have participated in prior  
4 All Employees meetings. I'm the new kid on the block.

5 However, I am not the latest appointment to the  
6 Commission, although I am sure that all of you have seen the  
7 recent announcement, I want to reiterate here, the best news  
8 we have had in some time. Ed McGaffigan will be serving a  
9 second five-year term as a Commissioner.

10 [Applause.]

11 CHAIRMAN MESERVE: I had the pleasure of swearing  
12 him in, in a brief ceremony last week. I am confident that  
13 Ed already knows this, but I want to say on behalf of all of  
14 my Commission colleagues, how delighted we are to have Ed  
15 with us, and how much we look forward to the fact that we  
16 continue to work with him.

17 I believe that all of you in this audience are  
18 more familiar with these proceedings than I am. I  
19 understand our format today is the same as that used in the  
20 past. Following my opening remarks, the Commission will  
21 entertain questions from NRC employees here in the tent, as  
22 well as from employees in our Regional Offices, Technical  
23 Training Center in Chattanooga, the Public Document Room,  
24 and at Resident Inspector Offices throughout the country.

25 I welcome all of you at our remote sites to this

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1 meeting. This meeting is as much for you as it is for your  
2 fellow employees here on the Green.

3 Finally, I want to note that although we have been  
4 thoroughly downsized and have seen many familiar faces  
5 retire in recent years, we are still not small enough to fit  
6 into one tent at the same time, thank goodness. We will  
7 have a second session of this meeting this afternoon.

8 One of the first things I was told about the All  
9 Employees Meeting, was that it was traditional for the  
10 Chairman to deliver some remarks, and then to sit back and  
11 take an avalanche of questions from 2800 employees on any  
12 subject whatsoever.

13 My first reaction was that I had suddenly been  
14 thrust into the position of the disoriented javelin  
15 competitor who somehow won the coin toss and elected to

16 receive.

17 [Laughter.]

18 CHAIRMAN MESERVE: As a former practicing  
19 attorney, it was quite natural for me to employ my best  
20 evasions, but no avail. Ms. Norry was determined that I  
21 would make an excellent javelin competitor, and warmed to  
22 the prospect so enthusiastically that she even volunteered  
23 to introduce me.

24 I am sure all of you noticed how cheerfully she  
25 played her part, and then promptly sat down out of harm's

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1 way.

2 [Laughter.]

3 CHAIRMAN MESERVE: My fellow Commissioners were so  
4 moved by my predicament that they rose as one to assure me  
5 that they would also be here and would do their best to  
6 catch some of the flaming arrows as they went in our  
7 direction. As always, I am grateful for their support.

8 I want to talk to you about where we are today as  
9 an agency, where we are headed in the future, and what we  
10 have to do to get there.

11 I will discuss some very familiar things, but I  
12 want to approach them with you from a somewhat different  
13 perspective. I also intend to be brief, on that the theory  
14 that the best remarks have a good beginning and a good  
15 ending, with not too much distance in between.

16 The theme of the last several All Employees  
17 Meetings has been about the changing environment in which  
18 the NRC must operate, and with very good reason.

19 In my view, the NRC is facing unprecedented change  
20 that poses many concurrent challenges. As you are aware, we  
21 are in the middle of a significant restructuring of the  
22 utility industry, which is premised on the view that the  
23 industry of the future should be governed more by free  
24 market principles and less by regulation.

25 The process began in New Hampshire in May of 1996

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1 when a few New Hampshire customers won the right to bypass  
2 their monopoly power supplier and buy electricity from any  
3 company.

4 Today in a growing number of states, the  
5 competitive market determines the price of electricity, and  
6 thus profitability for all forms of electricity generation  
7 is dependent on achieving economically efficient operations.

8 There is, of course, little doubt that where  
9 genuine competition is possible, the processes provide an  
10 economically more efficient regulatory system than  
11 administrative processes.

12 In response to the opportunities offered by price

13 deregulation, individual utilities either began to divest  
14 themselves of their nuclear plants, or pursued mergers,  
15 sometimes with foreign partners, to place themselves in a  
16 more competitive position in the new, deregulated  
17 environment.

18           The difficulty for the NRC in this context is that  
19 while market forces do promote economic efficiency, they do  
20 not necessarily protect the public interest in such areas as  
21 health and safety and environmental protection, in other  
22 words, in those areas of importance to society that are  
23 non-economic in nature.

24           These areas are traditionally the province of  
25 government, and, consequently, the NRC must continue to be

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1 vigilant in demanding safe operations from its licensees,  
2 and ensure that pressures to reduce costs do not become  
3 incentives to cut corners on safety.

4           The point I want to make here is that the  
5 appropriate balance between the play of free market forces  
6 and government intervention through regulation is still  
7 being defined, may not reach a steady state for some time to  
8 come, and will depend on the continuing good performance of  
9 the industry, as well as the effectiveness of NRC's  
10 regulatory program.

11           The conclusion I draw from this is that we can  
12 expect to see more changes among our licensees, to which the  
13 NRC will need to respond.

14           A second area of change affecting all of you is a  
15 fundamental shift in the regulatory philosophy that has  
16 governed NRC programs. All of you are familiar with these  
17 changes, so I need not go into great detail here.

18           In essence, we have shifted our regulatory  
19 thinking from a regime based on conservative engineering  
20 assumptions to a risk-informed, performance-based approach  
21 that focuses our regulatory attention on the areas of  
22 greatest risk.

23           In implementing this new philosophy, we have begun  
24 to revise our regulations to make them more risk-informed,  
25 and have, as all of you know, implemented the Revised

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1 Reactor Oversight Process.

2           While we have great confidence in the  
3 risk-informed approach to regulation, I recognize that we  
4 have only limited experience with it in practice. All  
5 regulatory regimes need to be monitored and modified to  
6 ensure, as far as possible, that they are providing optimal  
7 regulation, balancing public interest and opportunities for  
8 greater efficiency.

9 I would thus urge both Headquarters and Regional  
10 personnel to critique these new programs as they unfold.  
11 The Commission is relying on you to provide the necessary  
12 guidance as to whether we are, indeed, on the right track.

13 There also has been a fundamental change in the  
14 political environment in the past few decades which also  
15 requires adjustment by the NRC. Public attitudes about the  
16 appropriate size, performance, and role of government are  
17 now quite different from those that prevailed at the time  
18 the NRC was created.

19 Public suspicion and distrust of government,  
20 always an undercurrent in American political thinking,  
21 emerged as a prevailing public attitude during the 1960s and  
22 1970s, spurred largely by the Vietnam War, but perhaps also,  
23 in part, by the accident at Three Mile Island.

24 This change in public attitude, still quite  
25 strong, produced basic support for the notion that

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1 government should be smaller, less intrusive, more  
2 efficient, managed on business principles, and less costly.

3 As a result, downsizing, reinventing government,  
4 outcome-based planning, and other similar concepts were  
5 applied to government operations in the final two decades of  
6 the 20th Century.

7 But applying prevailing business methods to  
8 government objectives is often difficult, because Government  
9 is required to pursue objectives like protection of public  
10 health and safety that have no unambiguous bottom-line  
11 economic measures. Our goals and our success in achieving  
12 them are thus difficult to quantify.

13 One of the adverse impacts of the general trend to  
14 smaller government is reflected in our budget. In constant  
15 dollar terms, we have been in steady decline for seven  
16 years, and we hope to hold the line this year.

17 Nonetheless, our budget is an area of great  
18 uncertainty. We may not have bottomed out yet, although I  
19 certainly hope so.

20 Finally, I could hardly discuss changes affecting  
21 the NRC without mentioning computer-driven technology. I  
22 suspect that former employees of a decade ago, knowledgeable  
23 and experienced though they were in the functions of the  
24 NRC, might find themselves totally dysfunctional in the new  
25 technological environment of the so-called paperless office.

12

1 Nonetheless, like all the other changes I have  
2 described today, the computer-driven revolution can produce  
3 potentially significant problems.

4 For example, within our own Agency, it is has been  
5 clear that computer technology is an indispensable

6 underpinning for everything we do, yet we must take the time  
7 to ensure that specific applications of computer technology  
8 are serving the purposes intended for them.

9 At present, the NRC is engaged in evaluating the  
10 operational effectiveness of the ADAMS system. In response  
11 to my memorandum of May 22nd, every NRC office identified  
12 the specific problems they have encountered with ADAMS, and  
13 submitted their responses to my office.

14 The CIO is developing an action plan to address  
15 these concerns. Our objective is to make ADAMS easier for  
16 you to use.

17 I want to assure you that the Commission is aware  
18 of the frustrations and difficulties that all of these  
19 multiple, overlapping changes are causing.

20 We are trying to mitigate the adverse impacts to  
21 the extent possible. All of us on this platform know full  
22 well that the strength and reputation of any organization is  
23 ultimately determined by the quality, experience, and  
24 dedication of its employees.

25 I am sure I can speak for all of my colleagues on

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1 the Commission in saying that you have no greater advocates  
2 anywhere than the five of us.

3 I also want to acknowledge that our excellent  
4 reputation as a federal agency has been forged by the  
5 collective efforts of every member of the NRC Staff,  
6 including our technical, legal, and administrative people.

7 In a time of accelerating change, we need to treat  
8 each other with mutual respect, and work closely together to  
9 address the important challenges that lie ahead.

10 The NRC is not now, nor has it ever been defined  
11 by one office or one type of employee. The NRC is all of  
12 us, acting together to protect the public health and safety.

13 I'm sure by now that I have exhausted your  
14 patience. I would like to conclude with some good news and  
15 some bad news:

16 The bad news is that whatever the future may hold  
17 for us, we are all going to spend the rest of our lives in  
18 it.

19 [Laughter.]

20 CHAIRMAN MESERVE: The good news is that the  
21 future comes one day at a time, giving us time to prepare  
22 for the future and to adjust to it.

23 Now, let me turn the meeting over to you. Each of  
24 you seeking to ask a question should use one of the  
25 microphones so that everyone can hear.

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1 I also want to ensure that we provide ample

2 opportunity for employees at our remote sites to participate  
3 fully. So I'll try to take about one out of three questions  
4 from these remote sites.

5 Let me start with a question from someone here in  
6 the Green. May I have the first question?

7 [No response.]

8 CHAIRMAN MESERVE: Well this has been a very  
9 pleasant meeting, thank you.

10 [Laughter.]

11 CHAIRMAN MESERVE: Karen, do you have a question?

12 MS. VALLOCK: Yes, I do. With the continued  
13 pressures to decrease the size of government, should we  
14 expect a major reorganization or structural changes in the  
15 next two to three years?

16 CHAIRMAN MESERVE: My personal view is that we  
17 should not. I think that we have been able to hold the line  
18 on our budget in this year, and we will be -- my personal  
19 view is that the Agency is fully engaged, perhaps even  
20 over-engaged at the moment to deal with a wide variety of  
21 issues that are keeping our staff stretched thin.

22 So I think that the Commission's effort is, I am  
23 confident, going to be to hold the line on the budget and on  
24 the staffing of the Agency.

25 I would not anticipate that over the next several

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1 years that we will have any pressures on us to reorganize in  
2 a major way.

3 Let me turn my colleagues. They may have some  
4 views.

5 COMMISSIONER MCGAFFIGAN: I just want to echo  
6 that, and point to another piece of good news, namely that  
7 the House Appropriations Committee did support our budget.  
8 As they did the previous year, they complimented the entire  
9 Commission and every staff member here for the  
10 accomplishments.

11 I think their view on Capitol Hill at the moment  
12 is that we are an Agency that is really facing unprecedented  
13 change, but with unprecedented accomplishments to go with  
14 it.

15 As long as we keep producing, I think the pressure  
16 will be off on the sort of structural changes that might  
17 come with much lower budgets.

18 CHAIRMAN MESERVE: Is there another question?

19 AUDIENCE PARTICIPANT: I hope it's not a stupid  
20 question. When will the NRC authorize electronic signatures  
21 on NRC documents going to the public, as well as documents  
22 coming from the public to the Agency?

23 These documents could pertain to technical issues,  
24 as well as business transactions.

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CHAIRMAN MESERVE: I'm not in a position to be

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1 able to respond to that question. I'm afraid that we may  
2 have to get back to you later, I'm sorry.

3 Do any of my colleagues have any knowledge in that  
4 area?

5 COMMISSIONER MERRIFIELD: Very little  
6 understanding of that subject, except that I think the issue  
7 of electronic signatures is one that the Government, as a  
8 whole, is grappling with, and we're going to have to deal  
9 with our counterparts.

10 CHAIRMAN MESERVE: Stu Rider, the Acting CIO can  
11 maybe be in a position to respond.

12 MR. RIDER: We currently have a program in place  
13 called EIE, or Electronic Information Exchange, and the  
14 technology behind EIE is the concept of digital signatures.

15 And the difference between that and what you  
16 currently see in E-mail is that there is an assurance that  
17 the document that you receive is from the person or the  
18 organization that sent it to you.

19 We've been piloting this for several months now,  
20 and it will also require some changes to our procedures. To  
21 date, we have received documents from three nuclear power  
22 plants, and we're refining procedures and moving that along.

23 We're initially working with the power side of the  
24 NRC, and after that we'll be dealing with the materials  
25 side.

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1 CHAIRMAN MESERVE: Questions? Gregg, do you have  
2 a question from the Regions?

3 MR. HATCHETT: Yes. This question is a two-part  
4 question. And the question is, with the Agency committed to  
5 ADAMS, when do you foresee improvements coming to fruition  
6 to make this system truly efficient, and user-friendly?

7 And, secondarily, what lessons learned from the  
8 ADAMS experience will be factored into StarFire  
9 implementation?

10 [Laughter.]

11 CHAIRMAN MESERVE: I'm surprised to have a  
12 question on ADAMS.

13 [Laughter.]

14 CHAIRMAN MESERVE: As I think all of you know, we  
15 sent out a -- my Office sent out a request to the entirety  
16 of the Agency to collect basically the range of concerns  
17 that people had with ADAMS, the problems that they were  
18 confronting.

19 Those have all been circulated, and they will be  
20 available for all of you to see the collective input that we

21 received. We have tasked the staff to develop an action  
22 plan to respond to those concerns.

23 There is a steering committee that is being led by  
24 the Chief Information Officer, but will include  
25 representatives from throughout the Agency. It is

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1 developing an action plan to respond to the various  
2 concerns.

3 Now, that action plan will cover not only what  
4 steps to take, but will include a timeline within which we  
5 will respond. That action plan is due to be submitted to  
6 the Commission on July 21st.

7 So I think that we'll be in a better position to  
8 be able to respond to exactly how we're going to address  
9 these various issues associated with ADAMS, and the time  
10 within which we'll be able to do it, once the action plan is  
11 received.

12 Let me add, however, that the Commission is fully  
13 conscious of the concerns that people have with ADAMS. And  
14 we are committed to addressing those concerns. We do not  
15 want to have the ADAMS system serve as a barrier to your  
16 being able to complete your work effectively, and we are  
17 committed to what we can to try to solve the problems.

18 The second question had to do with StarFire, and I  
19 think that there is a lesson learned from ADAMS that we will  
20 be applying to StarFire, which is to make sure that we have  
21 our arms around all of the potential problems associated  
22 with it before we go out for Agency-wide implementation.

23 And that we recognize that it would be enormously  
24 challenging for you to have to deal simultaneously with  
25 problem in ADAMS, along with possible problems that might

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1 arise with StarFire.

2 And it is our intention to go slow on the  
3 Agency-wide implementation of StarFire to make sure that the  
4 bugs have been worked out and that you're not the guinea  
5 pigs in the implementation process.

6 AUDIENCE PARTICIPANT: My question is, how would  
7 you rate the public's confidence in the Agency right now,  
8 and why do you rate it that way, and what, if any, measures  
9 is the Agency taking to ensure that the confidence either  
10 stays where it is, if you think it's where it should be, or  
11 that it's improved?

12 CHAIRMAN MESERVE: We don't have any truly  
13 systematic way in which we can -- we've been collecting that  
14 information. So, my impressions are obviously somewhat  
15 anecdotal as to what the perceptions are of the Agency.

16 As Commissioner McGaffigan has just indicated, we  
17 were clearly perceived on Capital Hill several years ago as

18 an agency that needed to have some discipline imposed upon  
19 it.

20 And I think that we have definitely turned the  
21 corner in the way we are viewed on Capitol Hill; that we  
22 receive favorable comment about the various activities that  
23 we've received, and as Commissioner McGaffigan has  
24 indicated, the budget that we had sought and submitted to  
25 the Congress appears to be en route to being passed by the

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1 Congress without any reduction.

2 So, to the extent that the Congress is reflecting  
3 the attitude of the informed public, we're getting a  
4 favorable reaction.

5 I think that it is essential in all of our  
6 operations, however, that we be fully available to the  
7 public, and that we cannot do things in a way that does not  
8 engage the public fully.

9 The reason is that anything that we were to do, if  
10 we were to try to do something behind closed doors, there  
11 would be fear that something inappropriate was being done.  
12 In the modern world, we have to be prepared to work in the  
13 open, to confront issues openly, to explain, openly, exactly  
14 why we've made our decisions, and be able to defend them.

15 That is something, certainly, that the Commission  
16 is dedicated to, and I think that all of you in your work  
17 must be aware of the fact that interactions with the public  
18 is a very important component of our efforts here.

19 COMMISSIONER MERRIFIELD: Mr. Chairman, I may add  
20 to that. All of us on the Commission, whether it is through  
21 our meetings here in Washington with various stakeholders,  
22 both collectively and individually, as well as some of us  
23 who have the opportunity to travel outside of Washington and  
24 meet with various stakeholders, I think uniformly, although  
25 individual stakeholders may quibble about an individual

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1 position taken by the Commission, I think the level, at  
2 least from my part, the level of comments that I've received  
3 over the last year has indicated a stronger support for the  
4 Staff, and the fact that we are working diligently to  
5 accomplish a number of goals.

6 A lot of credit has been given across the board by  
7 the hard work that we have been doing, and the  
8 accommodations we have been making to try to incorporate the  
9 views of the public, wherever they may sit.

10 So there are some other ways, I think, subtly,  
11 that we as Commissioners are able to go out and engage and  
12 take the temperature of the various public constituencies  
13 which we try to respond to.

14 And as I said, overall, I think those reports have  
15 been on the upswing.

16 COMMISSIONER DICUS: Let me add just a little bit  
17 to that as well. Unfortunately, or fortunately, whichever  
18 way you want to look at it, the NRC unfortunately, with most  
19 of the public, is probably a well-kept secret.

20 And we don't get -- we frequently do not get  
21 noticed unless there's a problem. I think with the sort of  
22 outreach programs that I think we have going, and trying to  
23 really involve the public and try to make ourselves very  
24 accessible, particularly through our website or any other  
25 ways that Commissioner Merrifield was talking about, when we

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1 do go out, we try to engage the public, and try to make the  
2 aware we exist and what we do, and that we're not part of  
3 DOE, and that they can begin to understand that.

4 So I think we can continue to make ourselves a  
5 little bit better known. I know we've been told our website  
6 is very good, and the way we deal with the public is certain  
7 improving and getting better.

8 So I think it's a good question, but we've got  
9 some work to do. One of them is to try to be sure that  
10 people know we exist and what we do.

11 COMMISSIONER DIAZ: I might just make a comment  
12 that, you know, the answer to a question sometimes is very  
13 important. In the past three years that I have been here,  
14 there was always kind of a question that goes not to the  
15 public confidence, but the confidence on how the Commission  
16 was working together.

17 The fact that it has not been asked is a very good  
18 omen. But since it's not been asked, I might as well  
19 address it.

20 [Laughter.]

21 COMMISSIONER DIAZ: I think you should know that  
22 the Commission is working better together, and that we are  
23 working -- we have learned to take our little problems and  
24 work them out.

25 And I think the Staff probably knows and felt that

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1 this process is more harmonious, it is more applied to the  
2 staff, we are responsive. We have become as a Commission  
3 and a staff, more accountable.

4 I think that process is ongoing, and I think it's  
5 going to get better.

6 [Applause.]

7 COMMISSIONER MERRIFIELD: I would want to go on  
8 record as agreeing with Commissioner Diaz.

9 [Laughter.]

10 COMMISSIONER DIAZ: That might be a first.

11 [Laughter.]

12 COMMISSIONER MCGAFFIGAN: I will only note that  
13 with two lawyers on the Commission, lawyer jokes have gone  
14 up.

15 [Laughter.]

16 COMMISSIONER MCGAFFIGAN: I even have Nils doing  
17 them now, too.

18 [Laughter.]

19 CHAIRMAN MESERVE: Another question? Gregg, do we  
20 have one from the Regions?

21 MR. HATCHETT: This Regional question is, again, a  
22 two-part question. Inspection resources at the Region and  
23 especially at the sites with inspectors are at a premium,  
24 and the administrative requirements seem to be increasing  
25 with the new program.

24

1 Why is consideration being given to reduce the  
2 number of persons in the Region in FY 2002, and will the cut  
3 the Regions sustain be proportionally less than that of  
4 Headquarters because of the previously mentioned shortage?

5 CHAIRMAN MESERVE: Let me say that with regard to  
6 the inspection issue, obviously we have launched a new  
7 oversight program. That program was not intended, and, I  
8 don't believe, has resulted in any aggregate reduction in  
9 inspection resources.

10 They may be just deployed in a somewhat different  
11 fashion than they have in the past. But in this interim  
12 period, the level of activity that is inspection-related has  
13 been maintained as a constant, although maybe focused  
14 somewhat differently, certainly focused somewhat  
15 differently.

16 So that to the extent the question is asked, have  
17 we reduced inspection resources over this period, the answer  
18 is no. We will be doing and the staff will be preparing a  
19 full evaluation of the first year of implementation of the  
20 new oversight program.

21 We'll be submitting a report to the Commission in  
22 June of 2001. Among the issues that that report will  
23 address is whether the scale of the inspection resources is  
24 appropriate, whether it's appropriately deployed, and a  
25 whole variety of other questions that are raised and will be

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1 raised as we get more experience with the oversight program.

2 So that this is something that is certainly a work  
3 in progress. This is very much on my mind and my remarks  
4 when I said this is an area on which the Commission needs  
5 and appreciates input from staff as to what is working and  
6 what isn't working. We want to make sure that the new

7 oversight program is one that will achieve the objectives  
8 that we've sought.

9 And your guidance in that process is going to be  
10 extraordinarily important to us as we deal with the issues  
11 as they are raised.

12 With regard to the Fiscal Year 2002 budget and the  
13 staffing that comes out of it, that is very much something  
14 that is now under consideration, first by my Office. My  
15 colleagues have not yet had a crack at looking at the Fiscal  
16 Year 2002 budget, so it's very much premature to make any  
17 comments about what staffing allocations might arise out of  
18 that process.

19 Certainly there have been no decisions made by the  
20 Commission, by anyone on the Commission on that issue.

21 Other questions?

22 AUDIENCE PARTICIPANT: As you know, there has been  
23 a lot in the news lately about Los Alamos security problems  
24 and the fires at Los Alamos. And I'm curious as to whether  
25 you foresee any implications on NRC's possible external

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1 regulation of DOE as a result of this issue?

2 CHAIRMAN MESERVE: Let me say that security issues  
3 are ones that I think would be unique to DOE in any event.  
4 They would not turn to us, would not see us as having the  
5 responsibility. I don't think anyone in government would  
6 see us as having responsibility for the protection of  
7 weapons-related information.

8 Obviously, to the extent we have information that  
9 bears on that, we have important responsibilities. But that  
10 particular problem having to do with the hard drives, I  
11 would be surprised if anyone would think of the NRC in the  
12 forefront of being the agency that would have responsibility  
13 for that.

14 It is, in fact, of course, the case that Congress  
15 created a new agency within DOE, the National Nuclear  
16 Security Agency, that has a new head, that has  
17 responsibilities specifically for this area.

18 But they have not yet had opportunity to get  
19 themselves fully up and running, and the person was just  
20 basically confirmed by the Senate who is going to head that  
21 agency, so they really haven't had an opportunity to have  
22 their shot at trying to deal with what are obviously some  
23 serious problems at DOE in dealing with this area.

24 With regard to the fires, I mean, there have been  
25 impacts of that. There obviously have been radiological

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1 concerns associated with the fires.

2 That may well be a factor that would be on  
3 people's minds as to the general issue of the external

4 regulation of DOE. One of the aspects of that problem that  
5 has been something that Congress has been concerned about is  
6 basically the question of whether it's appropriate to have  
7 DOE regulate itself in the operation of its facilities.

8 And the concern about that has been wide from time  
9 to time. There have been expressions of interest in whether  
10 the NRC might take over a regulatory role for the various  
11 DOE facilities.

12 My impression is that, although there was an  
13 interest in a Secretary of Energy a few back, Hazel O'Leary,  
14 in having external regulation, that this is something that  
15 the current Secretary very much opposes.

16 It would clearly be a very major task if we were  
17 to undertake the responsibility of regulating the DOE  
18 facilities. The Commission has testified before Congress  
19 about the need.

20 If they were to ask us to do it, that we would  
21 need to do it in some appropriate, phased-in way, but that  
22 we couldn't just assume all that responsibility all at one  
23 time and in the short term.

24 We did say, however, that we felt that were  
25 capable of doing it, and if the Congress were to decide we

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1 should do it, that we, of course, would fulfill the task.

2 Other questions? Karen, do you have a question?

3 MS. VALLOCK: Yes. Noting that we should not  
4 promote the nuclear industry, what are the keys to improving  
5 public confidence, and should we seek out opportunities to  
6 make presentations about the NRC, what it is, what we do?

7 CHAIRMAN MESERVE: Well, I think that Commissioner  
8 Dicus really gave a response which I view is appropriate,  
9 that the NRC is not widely understood, not widely known  
10 outside the small community, and that it is appropriate for  
11 us to make sure that people are aware of what our role and  
12 responsibilities are, and how we do our job, and that if  
13 there is an opportunity for a Commissioner or member of the  
14 staff to help in the public understanding in that area, we  
15 should definitely take that opportunity.

16 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I might  
17 add that I think that it's really important. We've been  
18 getting fairly good response from the publics that are near  
19 our nuclear power plants to the new reactor oversight  
20 process.

21 I think the public meetings that we're having at  
22 each site have been going reasonably well, and we've been  
23 getting really good press coverage.

24 I think it's important that the folks at the sites  
25 get out, the Resident Inspectors. I have been told by the

1 EDO that it's not part of their performance evaluation, but  
2 that they get to talk to Kiwanis Clubs and Rotary Clubs and  
3 make it known that they are there.

4 I think it's -- we're fairly unique among nuclear  
5 regulators in the world in having Resident Inspectors. And  
6 I was talking with Mr. Riccio yesterday after the Commission  
7 meeting, and as one member of the public, he put a fair  
8 amount of emphasis on the fact that we have Resident  
9 Inspectors, and he knows that they're there, and he knows  
10 that -- he has more -- it wasn't necessarily good for me,  
11 but he has more confidence in the Residents than he has in  
12 us, because he knows their families are sitting in that EPZ,  
13 and they're dedicated to making sure that that plant is in  
14 good shape.

15 But I think that the fact that the Residents are  
16 there -- Mr. Beecher sent a memo sometime ago.

17 I talked to Region IV staff sometime ago,  
18 encouraging folks to, at levels far below ourselves, to make  
19 their presence known and to explain what their role is. I  
20 think it engenders public confidence, especially when that  
21 is covered by the local media, as it would be.

22 In a small media market, the fact that there is a  
23 Resident there and that he's helping to protect public  
24 health and safety is news. In a major media market like New  
25 York or Los Angeles, you just can't get that coverage.

1 COMMISSIONER MERRIFIELD: Mr. Chairman, I would  
2 make an additional comment. I think I have said this on a  
3 couple of occasions previously, but I think sometimes we are  
4 the Maytag repairmen of federal regulatory agencies.

5 We sit quietly and wait until something happens to  
6 be called on. Part of that, I think, lingers from the fact  
7 of our history of having been split from what became DOE in  
8 1975, 25 years ago, in a decision that we would avoid at all  
9 peril, anything that even came close to being perceived as  
10 promotional.

11 I think what has resulted sometimes is that we  
12 have overs-shot the mark. I think we can do a -- my  
13 personal opinion is that I think we can do a better job.

14 Although our website, for example, has many -- has  
15 won awards and many plaudits, I think we can do more. I  
16 know that the CIO is engaged in an effort in meeting with a  
17 number of people to try to improve the way that we have that  
18 set out, so that it can be a greater tool for our public to  
19 understand us, and for students to use that website. I  
20 think that's very positive.

21 I also personally think that on occasions, for  
22 example, when spent fuel storage casks are referred to as

23 mobile Chernobyl's, I think we have an obligation not to sit  
24 on our hands or our opinions, and, in fact, provide true  
25 factual information to the public about why we -- how we

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1 regulate those casks, and why we believe they're safe.

2           And so from my standpoint, I think we need to  
3 evaluate how we present ourselves as an agency to make sure  
4 that we are providing factual, accurate information to the  
5 public about how nuclear plants work, how we regulate  
6 nuclear materials, and why we believe that our regulatory  
7 structure is safe and in the interests of the American  
8 people.

9           CHAIRMAN MESERVE: Another question?

10           COMMISSIONER MCGAFFIGAN: The Regionals.

11           MR. HATCHETT: Given the changes in Europe with  
12 the European Commission moving to international consensus  
13 and other standards, and the likely adoption of these  
14 international requirements and guidance by other countries  
15 as well, does the Commission plan to increase the resource  
16 level dedicated to increasing international interface and  
17 more active participation in international venues?

18           CHAIRMAN MESERVE: I'm really not in a position to  
19 give a Commission perspective on that. We obviously have,  
20 with regard to international standards, that is, obviously  
21 thinking about how we our regulatory system should interface  
22 with the international standards is something that we are  
23 confronting.

24           We have a Part 71 rulemaking that is a  
25 transportation standard that is now before the Commission

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1 for action, which is basically presenting the question of  
2 how our standards should relate to the international  
3 standards governing the transport of materials, and raises  
4 the issue of the extent to which we should seek to comply,  
5 or whether there are areas in which we do not come into  
6 conformance.

7           So that is -- I think that we will be confronting  
8 that issue on a case-by-case basis, as there are  
9 international standards the Commission will have to confront  
10 in a rulemaking context, and whether we should change our  
11 regulatory standards to come into conformance, and if not,  
12 why not?

13           So that we'll be confronting those and are  
14 confronting those on a case-by-case basis, and are seeing  
15 them right now in the instance of Part 71.

16           On the general issue about our international  
17 efforts, I think that there is -- it's not a matter that the  
18 Commission has had to -- has grappled with, as to what

19 exactly the appropriate focus of the efforts should be.

20 Let me say that I think that we all do share the  
21 view that we have a stake here in the International safety  
22 of nuclear activities, and an accident anywhere in the world  
23 will have repercussions for the United States and for our  
24 licensees and for us.

25 And that the Commission has for a long time been

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1 dedicated to trying, within resource constraints, to assure  
2 safety of nuclear activities anywhere in the world, not only  
3 because that's of humanitarian interest, but, quite frankly,  
4 it's in our domestic interest to try to forestall accidents  
5 as best we can by making sure that there is adequate focus  
6 on safety in various international activities.

7 CHAIRMAN MESERVE: Let me turn to my colleagues.

8 COMMISSIONER MCGAFFIGAN: I might add that I think  
9 that we do need to stay heavily engaged with international  
10 standards bodies. The Chairman mentioned the ST-1 standard,  
11 we need to stay engaged with the IAEA as they work on the  
12 next generation of transportation standards. We are engaged  
13 with ICRP and we are engaged with other international  
14 bodies. So, I think if the resources are drying up for  
15 that, that would be a mistake.

16 We also are trying to stay in touch with domestic  
17 standard bodies, and there was an initiative that Ed Jordan  
18 spearheaded a few years ago, and I think it is still very  
19 much alive, where we are going to try to leverage domestic  
20 standards bodies as we are told to do by the National  
21 Technology Transfer Act of 1995.

22 In general, I think that we would do well, outside  
23 of the standards issues, to try to stay abreast of best  
24 practices abroad and best regulatory practices abroad, and  
25 do that in a systematic way. I have said that, we are going

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1 to have a meeting I think in August with international  
2 programs. There is an international council that involves,  
3 I think Janice Dunlevy chairs and it involves the program  
4 offices. And we have been trying to encourage the staff to  
5 stay abreast of what is happening overseas, because it does  
6 impact us and I hate reading about some important item in  
7 Nucleonics Week that I wish I had heard about otherwise.

8 So, having an engaged staff that is keeping us  
9 abreast of what is happening in Europe, what is happening in  
10 Japan, what is happening in Korea, et cetera, is important.  
11 If the Japanese -- I would posit if the Japanese had done  
12 that aggressively, they would not have had a fuel cycle  
13 regulatory program that was so far off what we and the  
14 Europeans do in the way of regulating fuel cycle facilities.

15 We may have gaps, I hope we don't, compared to

16 foreign regulators, but the only way we are going to find  
17 out if we have gaps is to stay engaged with the foreign  
18 regulators in an aggressive fashion.

19 COMMISSIONER DIAZ: Just a short comment, I think  
20 the question raises a broad issue. In many ways we are  
21 reexamining all our activities, and I know that in the past  
22 we have said we are not going to do like ICRP says, and we  
23 are going to stick to some of the things that we have  
24 established.

25 There is a new world out there, and I think one of

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1 the things that we probably will be facing is, how do all of  
2 these activities impact not only externally but internally  
3 what we do?

4 So, I think it is a very valid question to say  
5 where are we going to be with interview activities? I am  
6 sure the Commission and the staff will be looking at it.

7 CHAIRMAN MESERVE: Greg, do you have another  
8 question from the region?

9 MR. HATCHETT: Yes. This regional question reads  
10 as follows: With the increase in the number of Agreement  
11 States, how does the Commission envision continuing to  
12 provide the kind of policy and technical leadership needed  
13 in the materials safety arena, that is, as the cost of this  
14 vital function is spread out over fewer and fewer NRC  
15 licensees?

16 CHAIRMAN MESERVE: Well, that raises an important  
17 issue. We have a situation where there are now 31 Agreement  
18 States, and we may soon have 35, and who knows how many  
19 more. And that, obviously, as each state comes forward and  
20 becomes an Agreement State, the licensees that we were  
21 regulating then become the responsibility of the relevant  
22 state, so that, basically, the foundation for our regulatory  
23 activities in licensing is getting smaller and smaller. And  
24 that presents a challenge for us in the materials area.

25 I think that it is going to remain essential for

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1 the Commission to have a strong program in materials, and  
2 that we are, basically, the baseline against which the  
3 Agreement States measure themselves. We have  
4 responsibilities in Section 274 of the Atomic Energy Act to  
5 engage in some oversight related activities with respect to  
6 Agreement States, so that we can assure that they are  
7 fulfilling the responsibilities that Congress has allowed  
8 them to assume.

9 So, we are in a situation where we have statutory  
10 obligations that we have to fill. We have basically a  
11 policy obligation that we are filling, and I am sure will

12 continue to fill with regard to how materials should be  
13 regulated. The Agreement States look to us for important  
14 guidance in that area. So, I think that we will have, and  
15 will have to have a continuing, strong engagement by the  
16 Commission in the materials area.

17 Now, exactly how we are going to do this in a time  
18 of limiting, more reduced number of materials licensees is  
19 something with which the Commission is going to have to  
20 grapple over the next several years, and I don't have a  
21 solution for you today.

22 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I might  
23 add that the budget issue, we at least have some hope on. I  
24 think the single largest category of items that have been  
25 identified by the Commission over the last five or six years

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1 as raising fairness and equity issues is the subsidy of the  
2 Agreement State Program, and that subsidy will grow as the  
3 number of Agreement States grows.

4 But we have for the first time, in this year's  
5 budget, proposed to take over a five-year period 10 percent  
6 of our budget off the fee base and put it into the general  
7 fund where these items like the Agreement State subsidy to  
8 provide the national program belong.

9 And I think we are getting a mixed message from  
10 the Congress on that thus far. The Senate has passed a  
11 measure that would, I think, go actually to 12 percent over  
12 six years, of our funds off the fee base, and the House thus  
13 far has not acted on the matter, and it will be resolved  
14 later this year perhaps, the first 2 percent between the  
15 House and the Senate.

16 But at least it is the Administration's policy  
17 now, and it has long been the Commission's policy that this  
18 issue of the budget fairness has to be addressed. If we can  
19 address the budget fairness issue, then I think we can  
20 preserve a national program. If we don't address the budget  
21 fairness issue over the coming five or six years, then I  
22 think the pressure will be there to trim our program in ways  
23 that I will feel uncomfortable with, just as the Chairman  
24 will feel, and I think the whole Commission would feel  
25 uncomfortable with.

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1 But we are very much in the fight, and we  
2 recognize -- it was one of the things, I think, that  
3 motivated all of us to vote to get these items off of the  
4 fee base.

5 CHAIRMAN MESERVE: Questions? Karen, do you have  
6 another?

7 MS. VALLOCK: Yes. It is a two part question.  
8 Does the Commission believe that telecommuting is an

9 effective means of fostering employee morale and  
10 productivity? If so, what is being done to encourage  
11 greater agency participation in telecommuting?

12 CHAIRMAN MESERVE: Let me say on that issue that I  
13 think that probably you need to look at the individual job  
14 and what the responsibilities are to be able to sort out how  
15 telecommuting fits into the meaning of the obligations. And  
16 I don't think it is an issue that lends itself to a generic  
17 answer. I believe that this is an issue that is up for  
18 discussion in the partnership context, and in due course, I  
19 am sure will be a matter that will be worked out there.

20 Greg, do we have another question from the region?

21 MR. HATCHETT: Yes. This is a two part question.  
22 How do you view the role and approach of NEI? What advice  
23 do you have for the staff in seeking and weighing the input  
24 of our various stakeholders?

25 CHAIRMAN MESERVE: Let me say that my personal

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1 view, and I think I expressed this in response to an earlier  
2 question, is that our regulatory program and our overall  
3 activities work best if we are open to all input, that we  
4 get as much information as we can, that we weight that  
5 information, and that we reach our decisions in a way that  
6 we explain ourselves publicly as to how we have resolved  
7 issues the way we have.

8 It is obviously critically important in that  
9 context that we hear from the regulated community and that  
10 they obviously have a stake in what we do, that they can  
11 provide advice and input to us as we go forward, and that  
12 that is an important input for us, and is one that is to be  
13 encouraged.

14 It is equally important that we be as open to  
15 input from others, and that this process has got to be one  
16 in which everyone has the same opportunity to let their  
17 views be known to us, that we have to be even-handed in the  
18 way we deal with stakeholders so we get this input and  
19 advice from all quarters, not just NEI, but from critics or  
20 whomever has an input that we should consider and weigh.

21 Let me turn to my colleagues and see if they have  
22 any additions.

23 COMMISSIONER MERRIFIELD: I think, Mr. Chairman, I  
24 would say one thing, and it was going to the second part of  
25 the question on input from stakeholders. I will relate an

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1 issue that was brought up at our last stakeholder meeting.  
2 There was a concern raised, and I have heard this in other  
3 venues as well, there was a concern raised that we are  
4 having meetings outside of Washington. The staff will go to

5 an individual plant site or will be meeting in a town hall  
6 or some other location with the public, and we will be  
7 taking all of this information in. We will be getting all  
8 of these comments from our stakeholders, and when there is  
9 an effort on the part of the stakeholders to try to engage,  
10 you know, try to get an answer to a question or get some  
11 kind of a reaction from some of our folks, there is not a  
12 response.

13 The people I spoke to relative to this were very  
14 frustrated. They would like us, even if we don't agree with  
15 them, they would like us to at least -- they would like the  
16 staff to respond.

17 I don't have a very good answer to that, and there  
18 may be some policy decision on the part of the Commission in  
19 that regard. But there is a frustration sometimes among  
20 members of the public that we are not answering questions or  
21 we are not interacting in these meetings.

22 From my own personal standpoint, I think there is  
23 some usefulness to having some of that interaction. I think  
24 it creates greater stakeholder buy-in and it leaves the  
25 impression with the stakeholders that we are actively

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1 engaged in listening to what they say and responding to it.  
2 But, obviously, I understand the balance, and that is not  
3 always appropriate, given the nature of the audiences which  
4 staff have to deal with.

5 But I thought I would relate that as one  
6 observation that had been related to me.

7 CHAIRMAN MESERVE: Karen, do you have another  
8 question?

9 MS. VALLOCK: Yes. This in a way relates to the  
10 question that was just addressed. It says, in light of our  
11 increased efforts at openness, why are utility drop-in  
12 visits with the Commission closed to the public?

13 CHAIRMAN MESERVE: Well, the utility drop-in  
14 visits are generally courtesy calls where people come by to  
15 see individual Commissioners. And let me just say that,  
16 typically, the interaction is one where they will describe  
17 events that are underway at the plant that may not be of  
18 regulatory significance, but talking about the capacity  
19 factors and how they are doing, and what their future plans  
20 are, what their expectations are on the economic side with  
21 price deregulation may be occurring, issues of that nature.

22 But these, the important point is that this  
23 accessibility that we have to licensees for matters that are  
24 not before the Commission for decision is one that is an  
25 opportunity for any stakeholder, and that many of us, I am

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1 sure all of us, meet on occasions not only with licensees,

2 but with any group that seeks an opportunity to come and  
3 talk with us about matters that are within their concern.  
4 So this is not an area in which the Commission has been  
5 one-handed or one-sided in the way it deals with these  
6 issues, that we, basically, as part of the openness, makes  
7 ourselves accessible to people who want to come and talk to  
8 us about our business.

9 COMMISSIONER MCGAFFIGAN: I just might add, I  
10 can't conceive of doing my job by having every meeting that  
11 I have be an open meeting. And I don't think that there is  
12 any reasonable interpretation of any law that would require  
13 that every meeting that a person has with the stakeholder be  
14 open. I have had -- I meet with licensees privately, I meet  
15 with Dan Gutman of PACE privately to continue our  
16 interesting conversations that we do in public.

17 But we have to be able to function, as the staff  
18 does, without every single meeting that they have, every  
19 phone call being tapped, and every conversation being  
20 recorded. You know, it would be a total waste of resources  
21 for the vast majority of these meetings to have somebody  
22 there recording it for posterity and having -- I think we  
23 would quickly disabuse the press if they had any interest in  
24 our private meetings. But you just can't do that, it just  
25 -- it is nonsensical to require every meeting with every

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1 single Commissioner to be an open meeting.

2 COMMISSIONER MERRIFIELD: Yeah, I want to  
3 underscore the comments of both the Chairman and  
4 Commissioner McGaffigan. The fact is, for my part, I have  
5 an open door. I will meet with anyone who seeks to meet  
6 with me. And a variety of people from all over the place  
7 have chose to do that. And so, if there is an impression  
8 out there that we only meet with licensees, I think that is  
9 highly inaccurate.

10 These meetings are very helpful. It is an  
11 opportunity for the Commissioners to learn and to get candid  
12 insights, be it from David Lochbaum, Ralph Beedle, or a  
13 member of an Indian tribe. And I agree with Commissioner  
14 McGaffigan, we would not be as valuable in serving the  
15 interests of the American people, in fulfilling the wishes  
16 of the President and Congress of being the best  
17 Commissioners that we can be if we don't have access to the  
18 information from a variety of sources in a candid context.

19 COMMISSIONER DIAZ: Ditto.

20 CHAIRMAN MESERVE: Karen, do you have another  
21 question?

22 MS. VALLOCK: Yes. Do you expect to offer early  
23 outs this calendar year?

24 CHAIRMAN MESERVE: I can't comment on that.  
25 Karen, do you have another question, or is there

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1 any other questions here? Please, if you -- if there are  
2 any questions. I don't mean to be discouraging them, I am  
3 just not seeing anybody lined up at the microphone. So, we  
4 would welcome questions from the floor.

5 AUDIENCE PARTICIPANT: I have a question. I keep  
6 reading about Presidential initiatives to lure additionally  
7 qualified information technology people into the government.  
8 And in this agency in particular, I am unaware of any  
9 particular incentives that are being offered to improve the  
10 knowledgeability of managers and staff about information  
11 technology. Are there any kinds of programs being  
12 considered to offer such incentives and to improve our  
13 knowledgeability in that area?

14 CHAIRMAN MESERVE: I can't speak specifically to  
15 the IT area, but let me just say that the Commission, the  
16 functioning of this agency is completely dependent on the  
17 quality and dedication of our staff. And it is in all of  
18 our interests to attract the best people we can as employees  
19 and to keep them happy, wanting to stay here at the NRC.

20 And so this is an area that I think all of us are  
21 conscious of in the budget process, in particular, of  
22 examining, making sure there are opportunities to make this  
23 a worker-friendly place across the board, that we have need  
24 for maintaining the very quality of the people that are here  
25 now and we want to perpetuate that into the future.

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1 Now, there are obvious constraints that are placed  
2 upon us and that there are limitations on things that we can  
3 do as a result of federal law. There are limitations, for  
4 example, on salaries and we do the best we can within the  
5 constraints of the budget and the constraints of the law to  
6 make this a place where people want to work. That is  
7 something that is important to all of the five of us.

8 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I just  
9 might add that I do think, again, I will broaden it way  
10 beyond IT, I think there is a looming crisis in government  
11 that people are paying attention to. The new head of GAO is  
12 calling some attention to it, and that is, there is a whole  
13 generation of folks who came into government, perhaps many  
14 in response to John Kennedy's call, and it is much harder  
15 today, and that generation is going to retire, whether it is  
16 early-out or not, sometime soon. I mean, you know, in the  
17 next 10 years, looking around this room at the amount of  
18 gray hair, and mine is getting pretty gray, there will be  
19 fewer and fewer -- I think a third of the agency can retire  
20 today and half of the agency or more within 10 years will be

21 eligible for retirement.

22 And we are not unique, NASA has the problem, DOE  
23 has the problem. Department of Defense has the problem.  
24 And I think that this looming crisis, we don't deal very  
25 well with crises in advance in government, but sometime in

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1 the next decade, I think there will have to be legislation  
2 passed that will deal with this.

3 Young lawyers straight out of law school I think  
4 make what EDOs and Commissioners make nowadays, and it is  
5 not uncommon --

6 COMMISSIONER MERRIFIELD: Just so it clear, first  
7 year associates in D.C. law firms make more than  
8 Commissioners.

9 COMMISSIONER MCGAFFIGAN: Make more than  
10 Commissioners and EDOs. It is just striking, and I will  
11 speak as a former Congressional staffer, the single biggest  
12 problem is the Congress' unwillingness to pay itself, which  
13 caps everything. And if Congress were to pay itself a  
14 salary, I mean they themselves, Congress is getting paid  
15 what first year associates in large D.C. law firms get paid.  
16 I just find that astounding that they value themselves only  
17 at that level.

18 So, someday we have to address the pay issue, and  
19 at least we have to address it for scientists and engineers  
20 and information technologists in government, where we face a  
21 looming crisis.

22 CHAIRMAN MESERVE: Other questions? Karen?

23 MS. VALLOCK: It has come to our attention that  
24 the evolving role of secretaries at the NRC is listed as a  
25 topic to be discussed at a future ALMPC meeting. An article

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1 on the same subject appeared in the Washington Post on May  
2 11th, 2000. In summary, the article stated that sweeping  
3 changes in information technology have not only reduced the  
4 government's need for secretaries and clerks, but also  
5 changed the nature of their work. What information can you  
6 provide on this subject, and what do you see as the future  
7 of secretaries at NRC?

8 CHAIRMAN MESERVE: I can't comment very  
9 knowledgeably about the details of that. It is apparent  
10 from my own observations, and I am sure from all of you,  
11 that if you look over a period of a decade, certainly, that  
12 there have been very striking changes in the allocation of  
13 roles in offices. With advent of computer technology, the  
14 role of secretaries and office assistants is very much  
15 changed.

16 In my former employment at a law firm, when I

17 first went to work there, there was basically a relationship  
18 of one lawyer to a single secretary, everyone had their own  
19 secretary. As word processing came in and information  
20 technology came on, that changed. So that now the  
21 fundamental relationship is three to one, there are three  
22 lawyers to one secretary. That meant that a lot of the word  
23 processing tasks and drafting was done by the lawyer on his  
24 machine, and I am sure many of you have that same experience  
25 where, over time, where once you might have composed in

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1 longhand, probably most of you compose on the typewriter --  
2 excuse me, on the computer. I am showing my age.

3 So, I mean, the reality is throughout, I think,  
4 the economy, the office environment has changed and relevant  
5 roles and responsibilities of the people who work in the  
6 office has changed. And the NRC certainly is not immune to  
7 those changes.

8 What all the implications are and where that is  
9 headed is something I don't know how to foresee, but it is  
10 clearly a reality.

11 COMMISSIONER MERRIFIELD: I would add, Mr.  
12 Chairman, that -- and I think we talked about this in the  
13 last meeting on the green that we had last year, about sort  
14 of self-help efforts, trying to bring, you know. We have --  
15 the individuals who are secretaries at this agency are a  
16 valuable and trusted component of our workforce, and  
17 regardless of how this agency changes, I think, for own  
18 part, I think to the extent we can use the available  
19 resources for training and for helping those individuals  
20 whose jobs may shift, to evolve so they can continue to  
21 contribute and be a member of this workforce into the  
22 future, irrespective of how information technology changes  
23 any of our jobs.

24 CHAIRMAN MESERVE: That is a very important point  
25 that I should have said, is that I think it is incumbent

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1 upon all of us to respond to this changing world and to make  
2 sure that the training and opportunities are available so  
3 that as jobs change, that people have the opportunities that  
4 arise from those changes to, hopefully, find a way to make  
5 their job more satisfactory.

6 Greg, do you have a question?

7 MR. HATCHETT: Yes. NRC regulated facilities have  
8 always been authorized to admit emit some amount of  
9 radiation through air and water pathways, provided that Part  
10 20 emissions and dose standards are met. Why do you think  
11 the agency has encountered such strong resistance to similar  
12 approaches with respect to the clearance rule, as well as  
13 the below regulatory concern issued several years ago?

14 CHAIRMAN MESERVE: Well, that is an interesting  
15 question. I think that, and I can give my impressions,  
16 which may not be accurate. It became apparent to me as we  
17 reviewed various of the correspondence that we had gotten on  
18 the issue of what I will call the clearance rule, the  
19 question calls the clearance rule, that there was not an  
20 appreciation among the people who had written to us of the  
21 fact that, on a case-by-case basis, we have long been  
22 releasing materials that are not cleaned up to zero level of  
23 contamination, on a case-by-case basis, but, of course, with  
24 appropriate constraints that have been imposed by way of a  
25 license condition.

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1 There was, I think, a view of some of those who  
2 were writing us is that this was not an issue the Commission  
3 had ever faced before, and in thinking about a rule, we were  
4 opening an opportunity for the release of material that had  
5 not existed in the past.

6 I don't think that there was an awareness either  
7 of many who wrote us about the fact that there are various  
8 release limits that are incorporated in Part 20 of our  
9 regulations.

10 And let me say that the fact that we have release  
11 limits, and the fact that we have, on a case-by-case basis,  
12 are not requiring that something necessarily be brought to  
13 background is hardly a situation that is unique to the NRC.  
14 As a matter of setting air emission standards more  
15 generally, as a matter of setting releases to water through  
16 permitted discharges generally, as a matter of setting  
17 clean-up standards for the clean-up of contaminated sites,  
18 EPA, for example, sets limits, and those limits aren't at  
19 background, they aren't at zero. They set them at limits  
20 that are ones that are believed to provide adequate  
21 protection of the public health and safety.

22 So, our approach to this is hardly anything that  
23 is unique to us or in any way unusual to the way  
24 environmental statutes are customarily applied in the United  
25 States.

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1 I don't think there was an awareness of these  
2 facts by many of the people who were corresponding with us  
3 on this issue. And I think that we are, I will call it the  
4 victim of the fact that there is an intense fear of  
5 radiation, of radiation issues among many of the public. My  
6 personal view is that much of that is based on an  
7 educational problem that we have in the United States. But,  
8 in any event, there is an intense fear and there was a  
9 notion that, although it is scientifically the case that

10 releases at low levels may not pose any significant risk of  
11 harm, that there was a view of many that were writing to us  
12 at least, that we should not allow any release.

13 I don't think it reflected any awareness of what  
14 we do in Part 20 or any particular sensitivity to how  
15 environmental statutes are enforced by other agencies.

16 Karen, do you have another question?

17 MS. VALLOCK: Yes, I do. This is a two part  
18 question, three parts actually. The Commission has certain  
19 strategic goals such as no increase in exposure and no  
20 inadvertent criticality. To what extent are these goals  
21 based on public perception and to what extent are they based  
22 on real world consequences? The next part is, how are these  
23 goals impacted by the move to risk-informed regulation? Are  
24 any policy changes anticipated as a result of the Tokimora  
25 event?

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1 CHAIRMAN MESERVE: Well, there are several  
2 questions there. Let me say that I think that the key point  
3 here is the fact that a goal -- what a goal is, is that it  
4 is a target, it is an aspirational limit, and it would be  
5 fully appropriate for us to set goals or targets that are  
6 and are perceived to be something that we would very much  
7 aspire to achieve, but which, on occasion, we may fail to  
8 do. They are not limits, they are targets that we set for  
9 ourselves. And the idea that we would set -- the notion  
10 that there should be zero criticalities or zero fatalities,  
11 or zero undue exposures reflects the fact this is something  
12 that we would all like to achieve.

13 The question is whether the -- therefore, I do not  
14 believe that as we go to a risk-informed regulatory system  
15 that our aspirations will change. I think this is  
16 something, these are goals that we will still seek to  
17 achieve regardless of the structure and nature of our  
18 regulatory system.

19 With regard to the question as to Tokimora, the  
20 Commission has had a briefing on that issue, precisely on  
21 the point about whether there are lessons to be learned from  
22 this event that have impact on our own regulatory system.  
23 And the fundamental conclusion was that many of the  
24 causative factors associated with the Tokimora event were  
25 ones that we believe we have well in hand in the United

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1 States.

2 We did also have the benefit of a self-assessment  
3 that had been undertaken of the industry to go and look at  
4 their practices, and they are making some changes in the way  
5 they do business as a result of that activity, although it  
6 is not one that necessitated any change in our regulatory

7 approaches.

8 So, one of the responses that we have had to the  
9 Tokimora incident was to look at it closely and I think  
10 appropriately examine whether there are implications for  
11 that event for our own regulation of similar facilities here  
12 in the United States.

13 Any more questions from the floor?

14 [No response.]

15 CHAIRMAN MESERVE: Karen, do you have another?

16 MS. VALLOCK: Yes, I do.

17 CHAIRMAN MESERVE: The regions are more  
18 inquisitive than the headquarters staff.

19 MS. VALLOCK: Well, actually, these are  
20 headquarters questions. These are headquarters questions.

21 CHAIRMAN MESERVE: The headquarters staff is  
22 bashful.

23 MS. VALLOCK: And this question actually pertains  
24 to the large amount of questions from the headquarters. The  
25 "Ask the Chairman" articles in the News, Reviews and

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1 Comments provided a way for the staff to get direct comments  
2 from the Chairman. Would you consider an "Ask the  
3 Commission" column? The assignment to provide answers could  
4 rotate between Commissioners?

5 CHAIRMAN MESERVE: I can't speak for my  
6 colleagues, but I am an advocate of openness in all its  
7 various manifestations and that certainly would include the  
8 capacity to communicate and respond to questions from the  
9 NRC staff. I would be happy to do it.

10 COMMISSIONER MERRIFIELD: I will do it.

11 COMMISSIONER MCGAFFIGAN: Could somebody give us  
12 the history of when it was suspended and why? It sounds  
13 like it has been done in the past. It has.

14 CHAIRMAN MESERVE: We will take that question as a  
15 suggestion. It will be easy to respond to.

16 Greg, do you have a question?

17 MR. HATCHETT: Yes. Does the Commission see  
18 breaking the deadlock with EPA over decommissioning and  
19 waste standards any time soon?

20 COMMISSIONER DIAZ: Define "soon."

21 MR. HATCHETT: That depends on what the definition  
22 of "is" means or whatever.

23 At some point will a compromise solution be sought  
24 to avoid prolonging the debate?

25 CHAIRMAN MESERVE: We have the debate with EPA

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1 that relies on the same fundamental issue, it arises in two  
2 different contexts. We have an issue with them as to the

3 decommissioning of sites. As a general matter is when we  
4 have a rule that specifies how we decommission sites and set  
5 certain standards that are to be met for unrestricted  
6 release. And, obviously, we have a counterpart proposed  
7 rule dealing with Yucca Mountain.

8 EPA has differences with us with respect to both  
9 contexts, and they raise the same issue in both, the same  
10 issues. One issue, and in my view the easier to deal with  
11 is the question of what the appropriate dose limit is. And  
12 we, of course, have proposed a 25 millirem per year dose  
13 limit and EPA is an advocate of 15 millirems per year.

14 I think that that may well prove to be an issue  
15 that, at least in the decommissioning context, we may find a  
16 way to be able to reconcile our differences with EPA.

17 The harder issue, and the one that is the more  
18 intractable to deal with is the issue of groundwater  
19 standards. EPA has a separate limit that it would establish  
20 for groundwater, which is a limit that it draws from the  
21 Safe Drinking Water Act, and that is the 4 millirem standard  
22 for gamma and beta emitters.

23 That is a problem for us on many levels. It is a  
24 problem in that the NRC, all of the international regulatory  
25 agencies, the National Academy of Sciences, would not see

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1 the need for a separate groundwater standard when you have  
2 an all pathways standard that already includes groundwater.  
3 You get a dose, it doesn't make any difference whether you  
4 get it from groundwater, or from air, or from soil, or  
5 what-have-you, you have the dose and you need to deal with  
6 it, and that is encompassed within the general all pathways  
7 standard that we have.

8 Even passing that, there would be a question as to  
9 the 4 millirem number. As I think all of you know, that is  
10 a number that is well within the normal fluctuation of  
11 background in this country. We all get about a 300 millirem  
12 dose. And 4 millirems is completely invisible in the  
13 variability that just exists naturally. It about the dose  
14 that one might get on a transcontinental flight, for  
15 example.

16 And the final problem we have with EPA is the  
17 particular methodology that they apply in the exercise of  
18 their dose limit, as they use basically a scientific  
19 procedure that was developed in the 1960s and a rule that  
20 was developed in the 1970s. There has been a change in the  
21 international understanding of the -- and domestic  
22 understanding of the effects of these various isotopes,  
23 which widely changes the dose conversion factors that  
24 applies, so the risk is different.

25 EPA has insisted to date in using this old

1 dosimetry which is clearly not scientifically current. So  
2 we have a whole series of questions with EPA on this issue,  
3 all of which are problems, and, unfortunately, at the  
4 moment, this seems to be a matter of theology, on which it  
5 is difficult to reach an accommodation.

6 So, I think that is a very tough issue, and the  
7 question for us, to reach a resolution with EPA. We have  
8 committed to interact with EPA on these issues and are doing  
9 it. And we will see what the future brings. If we fail to  
10 interact, this may be an area in which it is appropriate for  
11 the Congress, if we fail to succeed in reaching a  
12 resolution, this may be an area in which it will be  
13 appropriate for the Congress to intervene to basically  
14 resolve the issue.

15 COMMISSIONER MERRIFIELD: Mr. Chairman, it is  
16 probabilistic inappropriate for you to say this, but I would  
17 say that I think the Chairman is to be commended for making  
18 a hard, strong and sincere effort to engage with the  
19 administrator of the EPA and various other individuals at  
20 that agency to try to resolve this problem. I think the  
21 Chairman has taken this on as a personal commitment, and,  
22 again, I think he is to be commended. Unfortunately, his  
23 efforts have not been fully responded to at EPA, but I think  
24 he really is trying to put this issue to bed.

25 CHAIRMAN MESERVE: Do you have more questions?

1 MS. VALLOCK: Yes, I do, and Greg, do you have  
2 one?

3 CHAIRMAN MESERVE: Karen, why don't you go ahead.

4 MS. VALLOCK: Okay. In 1998, the Office of  
5 Inspector General, Safety Culture and Climate Survey results  
6 were published. Shortly after, Mal Knapp, as deputy EDO,  
7 developed an action plan to address the major issues from  
8 the survey. Since Dr. Knapp has retired, who now is  
9 responsible for implementing that action plan and what is  
10 its status?

11 CHAIRMAN MESERVE: I am not familiar with the  
12 details of that. Certainly, I am sure, following the  
13 general responsibilities of the EDO, to make sure that we  
14 follow through on action plans, that would be his  
15 responsibility to assure that as staff move to different  
16 positions or leave the agency, that any responsibilities  
17 they have are appropriately assigned to others.

18 I can't respond on the details of that particular,  
19 whether there are particular open issues there that people  
20 within the EDO's staff are working on.

21 Greg, do you have any more questions?

22 MR. HATCHETT: Last one. Is the Commission  
23 satisfied with the process that encourages employees and the  
24 public to raise allegations to focus on safety issues?

25 CHAIRMAN MESERVE: Well, let me say that I think

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1 that all of us on the Commission view the allegation process  
2 as one that is a singularly important process, that we get  
3 important insights. We want to make sure that if there are  
4 issues that are ones that should be addressed, that people  
5 feel free to step forward and to raise them with us. And  
6 that I think all of us are committed to making sure that  
7 that can happen and can happen in a fashion that is free  
8 from harassment and intimidation. And that is a high  
9 priority for all of us.

10 And we are all conscious of issues that arise from  
11 time to time where there may be barriers to having that  
12 occur. And if they were to occur, that I am sure we all are  
13 committed to making sure that people feel comfortable in  
14 raising allegations.

15 COMMISSIONER MCGAFFIGAN: Mr. Chairman, I  
16 encourage the use of the DPO and DPV process in this agency  
17 for our own employees. People who have used the process  
18 have had effects on Commission policy. I can think of a  
19 person in Region IV who questioned the need to off-load  
20 trucks in Salt Lake City or trains in Salt Lake City, put  
21 things in trucks in order to get around a limit that we  
22 eventually found didn't make any sense.

23 There were -- Ses Copeland made a contribution as  
24 he was leaving with regard to -- he is retired now, but with  
25 regard to the materials program. The folks who commented on

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1 the Part 40, one of the Part 40 papers, their DPV was  
2 attached, and I think they testified at the Commission  
3 meeting, and I think they made a real contribution to the  
4 process.

5 So there's a whole host of folks who make -- I  
6 don't always agree with everybody who exercises the DPO/DPV  
7 process, but if it needs to be exercised, it should be  
8 exercised, and we appreciate people giving us alternate  
9 points of view with which we can grapple. I personally  
10 appreciate it.

11 CHAIRMAN MESERVE: I think that we have reached  
12 the end of our appointed time. We very much appreciate --  
13 they were very interesting questions and I hope that we have  
14 adequately responded to them.

15 I would like to thank you all very much.

16 [Applause.]

17 [Whereupon, at 11:52 a.m., the meeting was  
18 concluded.]

